



## **PUBLIC DISCLOSURE**

July 24, 2017

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

Capital One, National Association  
Charter Number: 13688

1680 Capital One Drive  
McLean, Virginia 22102

Office of the Comptroller of the Currency

Large Bank Supervision  
Constitution Center  
400 7th Street, S.W.  
Mail Stop 8W-1  
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 Capital One, National Association (CONA) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Capital One, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
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:

- Lending levels reflect excellent responsiveness to assessment area (AA) credit needs;
- The geographic distribution of loans reflects excellent penetration throughout the bank’s AAs;
- CONA is a leader in making community development (CD) loans that are complex and highly responsive to the identified needs of the AA;
- CONA exhibits an excellent record of serving the credit needs of the most economically disadvantaged areas of its AA, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- In many of the bank’s AAs, the bank took a leadership role in developing and participating in investments that were large, complex and involved multiple partners with both public and private funding;
- Overall, retail delivery systems are accessible to geographies and individuals of different income levels in the bank’s AAs, after considering the additional access

provided by middle- and upper-income (MUI) branches that are in close proximity to low- and moderate-income (LMI) geographies and/or being used by customers residing in LMI geographies and the availability and effectiveness of the bank's alternative delivery systems (ADS);

- CONA's ADS are available throughout all of the bank's markets, are easy to use, and provide flexibility and convenient access to retail banking services;
- Services and hours in the retail branch markets do not vary in a way that inconveniences certain portions of the AAs, particularly LMI individuals or in LMI geographies;
- Services in the café markets are limited, and café hours do not vary in a way that inconveniences certain portions of the AAs, particularly LMI individuals or in LMI geographies; and
- Overall, CONA is a leader in providing CD services that are responsive to the needs of the bank's AA.

## 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 (CT):** 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:** 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 examination. 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

Capital One, National Association (CONA) is an interstate bank headquartered in McLean, Virginia. CONA is a wholly owned subsidiary of Capital One Financial Corporation (COF), a \$357 billion multi-bank holding company also headquartered in McLean, Virginia. In addition to CONA, COF owns Capital One Bank (USA), National Association (COBNA), which offers credit card products to consumers and small businesses. COBNA is designated as a limited purpose bank under CRA. At the request of bank management, COBNA's small loans to businesses and farms are considered in CONA's evaluation. There were no mergers or acquisitions during the evaluation period. Refer to Appendix A for a complete list of subsidiaries, affiliates, and products considered.

CONA offers a broad spectrum of financial products and services to consumers, small businesses, and commercial clients through a variety of channels. In addition to traditional loan and deposit products, CONA also provides personal and corporate trust services, personal financial services, access to mutual funds, cash management services, investment banking and capital markets products and investment management services. The bank's primary business strategy is small business lending, which comprised 95 percent of the bank's lending during the evaluation period. Mortgage lending accounted for only five percent of the bank's lending during the evaluation period.

As of December 31, 2016, CONA operates 693 retail banking branches in eight states and the District of Columbia. CONA's retail footprint includes branches in Connecticut, Delaware, the District of Columbia, Louisiana, Maryland, New Jersey, New York, Texas and Virginia. CONA also operates a total of 13 "cafés" in California, Illinois, Massachusetts, Minnesota, Pennsylvania and Virginia. Five of the cafés were acquired in CONA's merger with ING Bank, fsb (ING), and eight were established during this evaluation period. Three additional cafés were acquired by CONA in the ING merger, but have since closed. The café in Honolulu was closed on August 1, 2014, the café in Wilmington, Delaware was closed on August 8, 2014, and the café in New York City was closed on July 8, 2016. The cafés are not licensed branches, but have deposit-taking Automated Teller Machines (ATMs). CONA considers the cafés to be digital markets for purposes of distributing banking products and services. The cafés are staffed by CONA personnel who are available to provide financial education, educate consumers about the bank's products and services, and help customers apply for credit, open new accounts, and manage existing accounts digitally. As of December 31, 2016, CONA operated 1,595 deposit-taking ATMs.

Combining the markets with retail banking branches and the markets with cafés, CONA has 44 assessment areas within 11 states and three multistate metropolitan areas (MMAs). CONA's ranking among depository institutions, their market share, and their competition in each market is discussed in the Description of Institution's Operations for each state and multistate metropolitan area.

As of December 31, 2016, CONA reported total assets of \$286 billion, deposits of \$217 billion, and Tier One Capital of \$20.7 billion. Included in the deposits are approximately \$480 million held in foreign offices and \$102 billion of Internet deposits located in the bank's AAs and elsewhere. These Internet deposits are housed in Wilmington, Delaware and McLean,

Virginia. CONA tracks the geographic distribution of the Internet deposits based on the depositor's address. The Internet deposits located within the bank's footprint were allocated to specific AAs ("allocated Internet deposits"). The Internet deposits that were located outside the bank's AAs ("unallocated Internet deposits") were assigned to CONA's headquarters in McLean, Virginia. Our analysis reflects the dispersion of these Internet accounts, and allocated Tier One Capital was adjusted accordingly.

As of December 31, 2016, CONA's net loans and leases were \$159 billion, representing 56 percent of total assets. The loan portfolio consists of approximately 41 percent loans to individuals, 33 percent real estate, 14 percent commercial loans, and 12 percent loans to other banks, non-depository institutions, states and U.S. political subdivisions and similar entities. Farm and agricultural loans comprise a very small percentage of the loan portfolio.

There are no known legal or financial impediments that would impact the bank's ability to meet its CRA obligations.

CONA received a "Satisfactory" rating at the previous CRA evaluation, dated December 31, 2013.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the lending test is January 1, 2014 through December 31, 2016. Conclusions regarding the bank's lending performance are based on home purchase, home improvement, and home refinance mortgage loans the bank reported under the Home Mortgage Disclosure Act (HMDA) and small loans to businesses the bank reported under the Community Reinvestment Act (CRA). At the bank's request, the OCC considered the small loans to businesses reported by COBNA. Retail services were evaluated from January 1, 2014 through December 31, 2016. The evaluation period for Community Development (CD) loans, investments, and services is January 1, 2014 through December 31, 2016. Please refer to Appendix A for information on the subsidiaries, affiliates, and products reviewed during this evaluation.

Small loans to farms were evaluated for the New York-Newark-Jersey City, NY-NJ-PA MMA (New York MMA AA), Lafayette AA, Louisiana non-MSA AA, and the Texas non-MSA AA. The volume of small loans to farms was insignificant in the remaining AAs, which precludes any meaningful analysis and conclusions. Small loans to farms are not part of the bank's strategic focus. Multifamily loans were evaluated for the New York MMA AA and the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA (Washington, DC MMA AA). Multifamily loans were insignificant for the remaining AAs, which precludes any meaningful analysis and conclusions. Multifamily loans meeting the definition of CD were evaluated under the CD lending criteria. Small loans to farms and multifamily loan data are presented in the tables in Appendix D for informational purposes.

### Data Integrity

As part of our ongoing supervision of CONA, the OCC tested the accuracy of the bank's home mortgage, small business, and small farm lending data, CD loans, qualified investments, and CD services. We concluded the home mortgage, small business, small farm, CD loans, qualified investments, and CD service data submitted by bank management could be relied upon for this evaluation.

### Selection of Areas for Full-Scope Review

CONA has defined 44 AAs within three MMAs and 11 states. In each state and MMA where the bank has an office or a deposit-taking ATM, at least one full-scope review was completed. The AA selected was typically the AA that contained the largest percentage of CONA deposits and/or loans within that state or MMA. Full-scope reviews consider performance context, and quantitative and qualitative factors. The OCC completed a full-scope review of each MMA, two AAs in Louisiana, two AAs in Texas, and one AA in each of the remaining states. We did not evaluate CONA's Honolulu AA, as the bank's only location in this AA was closed seven months into the evaluation period. Limited-scope reviews consider quantitative factors only. Refer to the "Description of Institution's Operations and Scope of Evaluation" section under each state and MMA rating section for details regarding how the areas were selected.

## Ratings

The bank's overall rating is a blend of the MMAs and state ratings. The ratings for four of the rated areas carried the greatest weight in our overall conclusions. These areas represented the bank's most significant markets in terms of lending, deposits (after allocating Internet deposits), and branch distribution. These areas are the New York MMA, the Washington, DC MMA, and the states of Louisiana and Texas. Together, these areas contain 90 percent of the bank's total allocated deposits, 72 percent of the bank's home mortgage and small business reportable loans during the entire evaluation period, and 97 percent of the branch network.

The MMAs and state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Description of Institution's Operations and Scope of Evaluation" sections under each state and MMA section for details regarding how the areas were weighted in arriving at the respective ratings.

## Community Contacts

OCC Community Affairs Officers updated or completed contacts in full-scope AAs for this evaluation. Interviews were conducted with a variety of community organizations, including low-income housing agencies, small business development centers, and social service and community action organizations serving primarily LMI persons. We also reviewed existing OCC contacts made during the evaluation period with community groups, local government representatives, realtors, and business leaders within the various AAs as well as public comments received by the bank or the OCC. Information from these community contacts is summarized in the community profiles found in Appendix C.

## Other Information

*Lending Gap Analysis* – The OCC reviewed summary reports and maps and analyzed CONA's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps in any AA.

*Inside/Outside Ratio* – The OCC analyzed the volume of bank loan originations and purchases within the bank's AAs versus those made outside the bank's AAs at the bank level. Our conclusions in this area were based solely on bank originations and purchases and did not include any affiliate data. CONA originated a high percentage of its loans within the combined AAs during the evaluation period. At the bank level, 60 percent of all mortgage (61 percent home purchase, 71 percent of home improvement, and 56 percent of refinancing) and 33 percent of small business loans (80 percent in dollar volume) were made within CONA's AAs. CONA's acquisition of credit card portfolios skewed this percentage. Many of the purchased loans are outside the bank's AAs. Additionally, CONA has made subsequent originations through the acquired credit card partnerships. When the purchased loans and subsequent originations are excluded from the analysis, 94 percent of all small business loans (93 percent in dollar volume) were made within the AA.

## Description of Factors Considered Under Each Performance Test

### Lending Test

For the various loan products considered under the lending test, small loans to businesses received substantially greater weight than home mortgage loans in developing our conclusions. Business lending is the bank's primary lending strategy and accounts for a substantial majority of CONA's loans. Overall, within the mortgage loan category, home refinance and home purchase lending were given greater weight, given the proportion of loans that were originated or purchased during the evaluation period.

The OCC gave equal weight to the geographic and borrower distribution components of the lending test. In our analysis of the distribution of loans to geographies with different income levels, we gave greater consideration to the bank's performance in moderate-income geographies if there were a limited number of owner-occupied housing units or businesses in the low-income geographies. For borrower distribution, we considered the impact that income, poverty levels, housing costs and savings for down payments limit housing opportunities for families.

The OCC analyzed the distribution of small loans to small businesses for each AA, as reflected in Table 11 in Appendix D. In some AAs, a significant portion of the bank's small loans to businesses did not contain revenue information, as permitted under the CRA reporting requirements. Many of these were loans that were either acquired by CONA and for which revenue data was not provided, or the loans were originated under a loan product for which business revenue is not considered in underwriting. Therefore, we also considered loan size as a proxy for business revenue.

For the geographic and borrower distribution analyses, the aggregate percentage of all reporting lenders is presented for 2015. The aggregate data for small loans to businesses includes all loans and may not reflect the bank's actual performance in serving small businesses. The aggregate data for 2016 was not available at the time of our analysis.

The volume of CD loans and the degree of responsiveness of those loans to the needs in the community were considered in the lending test evaluation. We compared the dollar amount of CD loans to the Tier One Capital allocated to the AAs to gain a perspective regarding the volume of CD lending activity. Tier One Capital was allocated to the rating areas and AAs based on the percentage of bank deposits that were either maintained in or allocated to the rating areas and AAs.

The OCC did not analyze or draw conclusions on a particular loan product if less than 50 loans were made in an AA during the evaluation period. Generally, we found that an analysis on fewer than 50 loans did not provide meaningful conclusions.

CONA offers several flexible loan programs that address the needs of LMI borrowers and geographies. In those areas where these flexible loan programs were given positive

consideration, it is noted within the lending test of the respective AA. The following highlights some examples of the bank's flexible loan programs:

- The bank offers Dream loans, Community Home Buyers (CHB) loans, small unsecured home improvement loans (SUHIL), Federal Housing Administration (FHA) loans, and VA loans. Dream and CHB are home mortgage programs to finance the purchase of homes by LMI borrowers and/or in LMI geographies. The Dream product is offered in Louisiana and Texas, and the CHB product is offered in the Northeast, the Mid-Atlantic, and the Los Angeles AA. Both of these are portfolio products, which allows for more flexible underwriting. They feature low down payment requirements without private mortgage insurance, down payment assistance grants, consideration of nontraditional credit history, and homebuyer education. The SUHIL loans feature a below-market interest rate, and are made in amounts up to five thousand dollars. During the evaluation period, CONA originated 805 Dream or CHB loans for \$133 million, 502 SUHIL loans totaling \$2 million, 1,294 FHA loans totaling \$239 million, and 130 VA loans totaling \$26.6 million in its AAs.
- For small businesses, the bank offers SBA financing, including the 504, 7(a), 7(a) Express and 7(a) Export Express products. SBA loans have more flexible terms than conventional loans. These products offer small businesses a variety of options to assist them with capital to grow their business. Additionally, SBA Guaranty allows the bank to extend financing to businesses that may not otherwise qualify for conventional credit. During the evaluation period, CONA originated 494 SBA loans totaling \$231 million in its AAs.
- The bank also provides flexible financing to nonprofit developers, Community Development Financial Institutions (CDFIs), and other nonprofit entities to support affordable housing, economic development, and social services. For example, CONA provides low-cost, flexible construction financing to nonprofit affordable housing developers in Texas and Louisiana through a subsidiary Community Development Corporation (CDC). These are small loans, averaging approximately \$600 thousand, to finance the construction of single-family housing for LMI families and/or in LMI geographies. The loans are complex and labor-intensive in that bank associates provide borrowers with technical assistance through all stages of the project, including identifying additional sources of financing and subsidies. These loans address the needs of LMI homebuyers and LMI neighborhoods.
- CONA supports CDFIs that lend to emerging small businesses. The bank's CDFI loans are unsecured, have low rates, and have an average amount less than \$1 million.

### Investment Test

The OCC considered the volume of qualified investments made during the current evaluation period and investments that were made prior to the current evaluation period that are still outstanding. The amount of consideration given to the current and prior period investments is based on the responsiveness of the investments to the needs in the AAs. Investments made

in CONA's broader regional areas that include the bank's AAs were also considered. Qualitative factors, such as responsiveness, complexity, and innovation, were considered.

The OCC compared the dollar amount of qualified investments made in the current evaluation period and prior evaluation periods to the Tier One Capital allocated to the AAs to gain a perspective regarding the volume of investment activity. Tier One Capital was allocated to the rating areas and AAs based on the percentage of bank deposits that were either maintained in, or the Internet deposits that were allocated to, the rating areas and AAs.

CONA's investment strategy has been to focus most of its investments towards affordable housing, primarily using low-income housing tax credits (LIHTCs). These are complex transactions that deliver substantial impact to LMI individuals and communities in the form of affordable housing.

CONA created and used several innovative approaches in grant funding to respond to community needs. The following highlights some examples of the bank's programs:

- CONA's *Social Purpose Program* is a mechanism that enhances the features of affordable housing developments. Under the program, the bank increases its investment in select nonprofit-owned developments by providing grant funding to support social service programs for residents. CONA committed to invest \$1.5 million in 10 affordable housing developments during the evaluation period to support these programs.
- CONA's *Blueprints to Buildings (B2B)* initiative was created during the evaluation period to provide grants and pre-development funding to support new affordable housing. The bank designed this initiative based on feedback from nonprofit housing partners who consistently highlighted two obstacles to developing more affordable housing: a shortage of available sites in increasingly competitive markets, and a lack of resources needed to acquire the sites that are available. CONA's program responds to these obstacles by providing grants of \$50 thousand per year for two or three years to each selected organization to cover costs associated with pre-development and project planning. Additionally, participants are eligible to apply for a \$500 thousand unsecured line of credit from the bank's CDC at below-market rates to help move the project from concept to closing. The bank committed to provide \$1.5 million in B2B grants in connection with eight developments during the evaluation period.
- CONA partnered with a number of nonprofit organizations to develop and launch *Construction Contractors' College (CCC)*, a free, seven-month small business training and development program that equips qualified business owners in the construction trades with the knowledge, resources, and guidance they need to successfully bid and win public and private construction contracts. In addition to workshops, each small business owner receives one-on-one coaching and mentoring from CONA Business Bankers and professionals from two partner organizations: SCORE and Money Management International. Started in 2014, this program was created in direct response to the city of Houston's need for a larger pool of certified minority- and women-owned contractors to bid on city projects. CONA took the lead by providing the

funding needed to support the program, and as importantly, identified and engaged the core partners and stakeholders essential to the implementation and execution of this program. The success in the Houston AA led to the expansion of the program into the New Orleans AA in 2016. During the review period, CONA provided \$195 thousand in grant funding for the CCC.

### Service Test

Primary consideration was given to CONA's performance in delivering retail products and services to geographies and individuals of different income levels through the bank's distribution of branches. The OCC focused on branches in LMI geographies, but also considered branches in MUI geographies that border LMI geographies or are adjacent to and within one-half mile in proximity to LMI geographies. Our evaluation of the proximity of these branches included consideration of available and affordable public transit systems within the AAs and the absence of physical barriers, such as water or highways that might obstruct convenient access to the branch. Additionally, CONA provided internal data to support the MUI branches that are being used by customers residing in LMI geographies. The OCC considered this internal data and the extent MUI branches are being used by customers residing in LMI geographies.

The bank acquired and then expanded its café sites, which seek to redefine the Capital One brand in both existing and new markets. The café sites are located in iconic, high-traffic areas that are most likely to be routinely convenient to broad and diverse populations. They include a number of amenities designed to benefit the whole community, such as meeting space available for use by local nonprofit organizations, free Wi-Fi in collaborative spaces, and Money Coaching and Money Workshops that are open to customers and non-customers. There are no licensed branches in the café markets, but there are deposit-taking ATMs. CONA places heavy emphasis on digital banking to deliver retail products and services in the café markets. Tablets are available to facilitate banking transactions at all café locations, and CONA personnel have been trained to offer digital help with the customer's device and are encouraged to promote digital use. Since there are no licensed branches in the café markets, Table 15 in Appendix D will be excluded for the café markets.

CONA offers a variety of ADS, including deposit-taking ATMs, telephone, mobile, and online banking. These services are offered to all bank customers, are available throughout all of the bank's markets, are easy to use, and give customers flexibility in choosing services that fit their needs. For café markets, CONA provides retail banking services and products to customers exclusively through ADS. Online and mobile banking allow customers to access their accounts anytime from any location with the right device. CONA's ADS are available to customers at no cost, and CONA will reimburse any fees and service charges associated with customers using a non-Capital One (AllPoint) ATM in areas with limited or no retail branches. Banking products offered online through Capital One 360 feature no minimum amount to open an account, no minimum balance requirements, no monthly fees, no fee for the first checkbook, and ATM fee reimbursements so any bank's ATM may be used for withdrawals. To address the concern of digital adoption rates by seniors, CONA developed the *Ready, Set, Bank* initiative, discussed below.

CONA tracked the number of customers residing in a LMI geography who used an ADS and the number of customers residing in a MUI geography who used an ADS, the growth rate of new checking accounts and retained checking accounts for customers residing in a LMI geography and for customers residing in a MUI geography, customer usage of ADS for customers residing in a LMI geography and for customers residing in a MUI geography, and the proportion of the bank's LMI customers who use ADS. To assess the effectiveness of CONA's ADS, the OCC used CONA's internal data and conservatively estimated the fully banked LMI population, after considering the unbanked and underbanked household data reported in the 2015 FDIC National Survey of Unbanked and Underbanked Households report. The OCC determined CONA's ADS were effective for delivering retail banking services. Please refer to each MMA and state for details on the effectiveness of CONA's ADS.

The OCC evaluated the range of services and products offered by all of the bank's branches. We specifically focused on any differences in branch hours and services in LMI geographies compared to those in MUI geographies. Services and products offered at branches are consistent throughout the branch network.

Where CONA opened or closed branches within an AA, the overall impact of the change was evaluated. If no branches were opened or closed in an AA, we did not include that performance element in our analysis.

The bank's record of providing CD services was evaluated in AAs that received full-scope reviews. Our primary consideration in these reviews was the responsiveness to the needs of the community. Services that reflected ongoing relationships with organizations involved in CD received the most consideration in our analysis. The bank provided 76 thousand hours of qualified services in its AAs. CONA offers several innovative CD services that address critical needs such as small business development, affordable housing, community revitalization, financial education, workforce development and job training, and wealth creation. The following highlights some examples of the bank's programs:

- CONA's flagship *Getting Down to Business* program, launched during a previous evaluation period, is an innovative technical assistance training program for small businesses. Operating in three of CONA AAs (New Orleans AA, Houston AA, and Dallas-Fort Worth AA), this seven-month program features a multi-course, in-depth curriculum that addresses the core needs of small businesses. Workshops (presented by CONA bankers and others) cover topics such as business plans, marketing, credit (personal and business), savings, accounting best practices, insurance, legal issues, and networking. Each participant is paired with a CONA banker, a financial advisor, and a business coach. Upon graduation, the participant receives a savings match (up to \$2 thousand) and an iPad from the bank. Apple provides personalized training to the small business owners and works closely with the bank to identify apps specifically tailored to meet the needs of small businesses. In addition, through CONA's partnership with LiftFund (a small business lender), each graduate has access to a business loan of up to \$10 thousand. The bank partnered with many nonprofits to implement the program and has provided financing to expand and support it. Based on the bank's data, 79 percent of participants increased sales, revenue, and profits, and 83 percent implemented a new business or marketing plan. In addition, of the 103

business owners who completed the program during the evaluation period, approximately half have hired additional employees. This program is highly responsive to the need for small business development and job creation. The success of *Getting Down to Business* was a catalyst that led the city of Houston to select CONA to lead the city's *Lift Off Houston* business plan competition, which started in 2013 and continued throughout the evaluation period.

- CONA developed the *Ready, Set, Bank* initiative to address the concerns of digital adoption rates by seniors. *Ready, Set, Bank* is a series of online videos that walk viewers through the steps of mobile and online banking and addresses common concerns with ease of use, identity protection, and fraud prevention. The videos are available to the public on the unbranded website [www.readysetbank.org](http://www.readysetbank.org). Additionally, there is an instructor-led class format that has been provided in CONA's branches and has also been distributed to a wide range of CONA's community partners. The pilot program launched in 2016 and was provided to five partners in five cities, and 85 participants completed the program. From August to December 2016, there were nearly 24 thousand video viewings.
- CONA created and launched the *Capital One Coders* program in 2014 to bring valuable coding skills to middle-school students. The is a 10-week program designed to teach students from schools that primarily serve LMI populations introductory software development skills. The students create their own mobile apps to share with family and friends. During the evaluation period, CONA associates devoted almost six thousand qualified hours of assistance.
- CONA offers an innovative *Straight Talk* program for small businesses in LMI communities in the Houston, Dallas-Fort Worth, and New Orleans AAs. The program provides workshops that address areas such as improving credit scores, access to capital, and creating a business plan. In addition, networking events are offered where business owners can meet and network with lenders, industry professionals, and fellow business owners. This is an informal series of workshops that are open to any small business owner whose business is in a LMI geography. During the evaluation period, 142 workshops were presented across the three AAs, with approximately five thousand small business owners in attendance.

## **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 Bureau of Consumer Financial Protection, 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.

## **Multistate Metropolitan Area Rating**

### **New York-Newark-Jersey City, NY-NJ-PA MMA**

**CRA rating for the New York-Newark-Jersey City, NY-NJ-PA MMA<sup>1</sup>: 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:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the strong competition and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional access provided by MUI branches that are in close proximity to LMI geographies and/or are being used by customers residing in LMI geographies and the availability and effectiveness of the bank's ADS;
- To the extent changes have been made, the bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems in LMI geographies and/or to LMI individuals; and
- CONA is a leader in providing CD services that are responsive to the needs of the bank's AA.

### **Description of Institution's Operations in the New York-Newark-Jersey City, NY-NJ-PA MMA**

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<sup>1</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

The New York MMA AA consists of a portion of the New York-Newark-Jersey City, NY-NJ-PA MMA and includes the Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester counties in New York and Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, and Union counties in New Jersey. CONA excludes Dutchess, Putnam, and Orange counties in New York, Hunterdon and Sussex counties in New Jersey and Pike County in Pennsylvania because the bank does not have a deposit-taking presence there. In July 2016, CONA made a business decision to close its two branches in Ocean County and exit this market. The impact of CONA's exit to this market was minimal. The bank had a limited presence and market share in Ocean County, and the county is being served by several other large financial institutions.

CONA operates 274 branches, including three branches located in geographies with no income designation, and 510 deposit-taking ATMs, including five located in geographies with no income designation, at 272 locations in the New York MMA. One of the ATMs, located in an upper-income geography, is used exclusively by Capital One associates. The bank originated or purchased 31.02 percent of its evaluation period lending in the New York MMA AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in this MMA totaled \$51.9 billion (excluding allocated Internet deposits), representing 24.99 percent of the bank's total domestic deposits. Retail banking competition in the New York MMA AA is significant. In terms of deposit market share, CONA ranks seventh out of 194 institutions with a 3.17 percent deposit market share in the New York MMA AA. JPMorgan Chase ranks first with a 33.56 percent of deposit market share, Bank of New York Mellon ranks second with a 7.39 percent of deposit market share, Bank of America ranks third with a 7.37 percent of deposit market share, HSBC Bank USA ranks fourth with a 7.15 percent of deposit market share, and Citibank ranks fifth with a 7.05 percent of deposit market share.

In evaluating the New York MMA, the OCC considered the significant affordability barriers that exist in this high-cost housing market as well as the other economic conditions discussed in the community profile for the New York-Newark-Jersey City, NY-NJ-PA MMA. For the investment test, we considered the strong competition for LIHTCs in the New York MMA AA and the limited number of competitive LIHTCs issued in Long Island.

Refer to the community profile for the New York-Newark-Jersey City, NY-NJ-PA MMA in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

### **Scope of Evaluation in the New York-Newark-Jersey City, NY-NJ-PA MMA**

We based our rating of the New York-Newark-Jersey City, NY-NJ-PA MMA on the area that received a full-scope review. We conducted a full-scope review of the New York MMA AA, which is the only AA in the MMA. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA MMA**

### **LENDING TEST**

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

The bank's performance under the lending test in the New York-Newark-Jersey City, NY-NJ-PA MMA is rated outstanding. Based on a full-scope review, the bank's performance in the New York MMA AA is excellent.

### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the New York-Newark-Jersey City, NY-NJ-PA MMA section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the strong competition and the bank's focus on small business lending. Within the MMA, 97 percent of the bank's loans were small loans to businesses and three percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks seventh out of 194 institutions with a 3.17 percent deposit market share in the New York MMA AA. In overall home mortgage lending, CONA ranks 35<sup>th</sup> with a 0.53 percent market share. For home purchase lending, the bank ranks 39<sup>th</sup> with a 0.50 percent market share. For home improvement lending, the bank ranks 9<sup>th</sup> with a 2.25 percent market share. For home refinance lending, the bank ranks 45<sup>th</sup> with a 0.42 percent market share. For multifamily lending, the bank ranks seventh out of 203 lenders with a 2.62 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the New York MMA AA, there is strong competition for home mortgage lending. There are 851 lenders, many without a depository presence. In contrast, there are 194 depository institutions in the AA. For small loans to businesses, the bank ranks third with a 12.16 percent market share. There are 286 lenders in the market. The top small business lender, American Express, has a 35.93 percent market share and is a nationwide lender that has a significant small business credit card portfolio.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the New York-Newark-Jersey City, NY-NJ-PA MMA. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses and farms.

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

Refer to Tables 2, 3, 4, and 5 in the New York-Newark-Jersey City, NY-NJ-PA MMA 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 overall geographic distribution of home mortgage lending in the New York MMA AA is excellent. The geographic distribution of home purchase, home improvement, home refinance and multifamily loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased in low-income geographies is near to the percentage of owner-occupied units in low-income geographies. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home improvement loans originated or purchased in low-income geographies is near to the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies is near to the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies is near to the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of multifamily loans is excellent. The percentage of multifamily loans originated or purchased in low-income geographies is near to the percentage of multifamily units in low-income geographies. The percentage of multifamily loans originated or purchased in moderate-income geographies exceeds the percentage of multifamily units in moderate-income geographies. The percentage of multifamily loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of multifamily loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the New York-Newark-Jersey City, NY-NJ-PA MMA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the New York MMA AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

### ***Small Loans to Farms***

Refer to Table 7 in the New York-Newark-Jersey City, NY-NJ-PA MMA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small loans to farms in the New York MMA AA is excellent. The percentage of small loans to farms originated or purchased in low-income geographies exceeds the percentage of small farms located in low-income geographies. The percentage of small loans to farms originated or purchased in moderate-income geographies exceeds the percentage of small farms located in moderate-income geographies. The percentage of small loans to farms in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to farms in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is good in the New York-Newark-Jersey City, NY-NJ-PA MMA. CONA has excellent borrower distribution of home mortgage loans, good distribution of small loans to businesses, and adequate distribution of small loans to farms.

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

Refer to Tables 8, 9, and 10 in the New York-Newark-Jersey City, NY-NJ-PA MMA 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.

In evaluating the borrower distribution of home mortgage loans, we considered the significant affordability barriers as well as the other economic conditions discussed in the community profile for the New York-Newark-Jersey City, NY-NJ-PA MMA. Home ownership for LMI families in the New York MMA AA is difficult due to the high cost of living and high home purchase price. LMI families also have the challenge of accumulating a sufficient down

payment. Consequently, most individuals in the New York MMA AA rent, resulting in a high volume of multifamily units. The median single-family housing value for the New York MMA AA is \$484,457. In Manhattan, the median housing value is significantly higher. The 2016 FFIEC adjusted median family income for the New York MMA AA is \$79,765. Low-income families earn less than \$39,883, and moderate-income families earn less than \$63,812. Many low-income families are unable to afford a home in the MMA. Thirteen percent of the households are below the poverty level in the AA.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase, home improvement, and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. Although the percentage of home purchase loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA, it is considered good after considering the significant affordability challenges. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. Although the percentage of home improvement loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA, it is considered good after considering the significant affordability challenges. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the New York-Newark-Jersey City, NY-NJ-PA MMA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the New York MMA AA is good. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is somewhat lower than the percentage of small businesses located in the AA. While the bank's performance is somewhat lower than the demographics, the majority of originated loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 97.42 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses exceeds the aggregate percentage of all reporting lenders.

### ***Small Loans to Farms***

Refer to Table 12 in the New York-Newark-Jersey City, NY-NJ-PA MMA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

The overall distribution of loans to farms of different sizes in the New York MMA AA is adequate. The percentage of small loans to farms originated or purchased is lower than the percentage of farms located in the AA. While the bank's performance is lower than the demographics, the majority of originated loans were in small dollar amounts, which is an indicator that CONA is lending to small farms. The distribution by size of loans shows that 96.15 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small farms exceeds the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume and Other Products in the New York-Newark-Jersey City, NY-NJ-PA MMA section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. During the evaluation period, the bank originated 401 CD loans totaling \$3.59 billion that were responsive to AA credit needs. This volume represents 53.59 percent of allocated Tier One Capital. The state of New York requires that four percent LIHTC developments funded with tax exempt bonds use a credit enhancement structure involving a Letter of Credit (LC). CONA's participation in the four percent LIHTC developments in the MMA resulted in 38 LCs with a CD purpose, totaling \$644 million. There was also one CD lease for \$2.2 million. A large majority of the CD loans addressed the need for creating or preserving affordable housing, including rental housing, for LMI individuals. This is a critical need in the AA. The following are examples of the bank's CD loans and an LC that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided an \$8.2 million loan and an \$11.2 million LC for the construction of a 200-bed homeless shelter and 136 units of permanent affordable housing for tenants earning up to 60 percent of the area median family income (MFI). The building consists of two condominiums. One is for the homeless shelter, and the second is for the permanent affordable units including community space. The nonprofit organization that developed and manages the property also provides continuum of care services critical to successfully transitioning homeless individuals to permanent housing and lowering recidivism. This complex transaction involved several sources of financing, including the city of New York, and was innovative, as it is believed to be the first facility in New York designed with both a shelter and permanent affordable housing on the same site.
- CONA provided a \$15.7 million construction loan to finance the gut rehabilitation of a former homeless shelter/transitional housing facility in the Bronx. The property will provide 60 units of permanent supportive housing targeted to homeless youth between the ages of 18 and 28, including young people who have “aged out” of the foster care system. All 60 units will be set aside for individuals and families earning no more than 60 percent of the area MFI. In addition to decent, safe housing, the project sponsor will provide on-site continuum of care services funded by a grant from the New York City Department of Health and Mental Hygiene.
- CONA provided a total of \$25.6 million in loans and a \$29.4 million LC to help finance the new construction of a mixed-use development in a low-income geography in the Bronx. The building includes 152 units of rental housing, all of which are reserved for LMI households. The development also includes retail space. CONA’s financing included a bridge loan of \$17.5 million and New Markets Tax Credit (NMTC) debt financing of \$8.1 million. This particularly complex transaction also involved other financing from the New York City Housing Development Corporation and another bank.
- CONA provided a stand-by LC for \$28.6 million to help finance the development of an affordable housing property in the Bronx. The property is located in a low-income geography on a site previously occupied by a vacant structure built in the 1920s. The property has 134 units, including 106 reserved for LMI households. It also includes commercial and community space to generate jobs. Due to the inclusion of commercial and community space, and given this transaction involves nine layers of funding (including LIHTCs and state and local public funding), this transaction was considered highly complex. The development responded to the critical need for affordable housing in a very high-cost market. It also addressed the need to revitalize/stabilize LMI neighborhoods.

### **Product Innovation and Flexibility**

CONA makes limited use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. During the evaluation period, the bank originated 200 FHA loans totaling \$57.6 million, 346 CHB loans totaling \$64 million, and 52 SUHILs totaling \$224 thousand. CONA also originated 169 SBA loans totaling \$73.9 million.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in the New York-Newark-Jersey City, NY-NJ-PA MMA is rated outstanding. Based on a full-scope review, the bank's performance in the New York MMA AA is excellent.

Refer to Table 14 in the New York-Newark-Jersey City, NY-NJ-PA MMA section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership often, and makes extensive use of complex investments to support CD initiatives. CONA originated 568 qualified investments totaling \$490 million. Additionally, 99 prior period investments totaling \$532.6 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 15.26 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's use of complex investments, and the bank's responsiveness:

- CONA provided a \$15.4 million LIHTC investment for the development of an affordable housing property for seniors. The development, located on a former industrial site in a moderate-income geography, contains 70 units, of which, 69 are reserved for LMI households. Twenty-one of the units are public housing subsidized by a Housing Authority, five units are set aside for formerly homeless individuals, and four units are Americans with Disabilities Act (ADA) accessible. Financing for this project included LIHTCs, Department of Housing and Urban Development (HUD) money provided through a Housing Authority, and subsidized public housing units. Social services are offered to the residents at no cost and include case management, social and educational activities, and health screening.
- Another example of a complex investment is a \$12.5 million LIHTC investment to help finance the construction of a 59-unit affordable housing development located in a low-income geography in the Bronx. Fifty eight of the 59 units are reserved for chronically homeless, single adults with serious mental illness, with priority given to veterans. The investment included a \$200 thousand Social Purpose grant to assist in funding supportive services for residents. Sources of funding for the project included several layers of financing and supportive service funding from city and state agencies. The investment was highly responsive to the need for affordable housing for homeless

individuals with special needs. Additionally, the investment helped to revitalize and stabilize a low-income geography by replacing a vacant lot with affordable housing units.

- CONA provided \$36.6 million in LIHTC investments to help finance a mixed-use development in a moderate-income geography in Suffolk County. Prior to development, the site was a long vacant blighted property that had been targeted by the town for redevelopment. The development has 176 residential units, of which, 160 are reserved for LMI households. It also includes commercial space. At the time of construction, this was the only affordable housing complex in the area, and no other affordable housing projects were planned. The transaction required a construction loan and a LC, both provided by CONA, along with public funds from local, state and federal sources.
- Through its B2B program, CONA provided \$100 thousand in grant funds to a local nonprofit organization to support predevelopment of an affordable housing development to be located in the Bronx. The development will have 58 units for LMI households. The land consists of two sites, one of which is vacant and the other a junkyard. This development will reduce blight and help stabilize a low-income geography.

## **SERVICE TEST**

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

The bank's performance under the service test in the New York-Newark-Jersey City, NY-NJ-PA MMA is rated high satisfactory. Based on a full-scope review, the bank's performance in the New York MMA AA is good.

### **Retail Banking Services**

Refer to Table 15 in the New York-Newark-Jersey City, NY-NJ-PA MMA section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional access provided by MUI branches that are in close proximity to LMI geographies and/or are being used by customers residing in LMI geographies and the availability and effectiveness of the bank's ADS. There are 274 branches within the New York MMA, including three branches that are located in geographies with no income designation. The percentage of the bank's branches located in low-income geographies is lower than the percentage of the population residing in those geographies. The percentage of the bank's branches located in moderate-income geographies is near to the percentage of the population residing in those geographies. CONA has 48 branches in MUI geographies and two branches in geographies with no income designation that border LMI geographies or are adjacent and within one-half mile in proximity to LMI geographies. In addition, CONA provided internal data demonstrating that approximately 36 percent of MUI

branches have a higher percentage of usage by customers residing in LMI geographies than the percentage of the population residing in those geographies.

CONA's ADS, including deposit-taking ATMs, online, and mobile banking, are effective and provide customers with additional availability and access to retail banking services. The distribution of deposit-taking ATMs is not inconsistent with the branch distribution. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is significantly greater than the conservatively estimated population of fully banked LMI consumers.

CONA's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems in the AA, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, the bank opened six branches and closed 58 branches. Three of the six new branches are located in upper-income geographies, one is in a middle-income geography, and two are in moderate-income geographies. One of the 58 closed branches was in a low-income geography, nine were in moderate-income geographies, 21 were in middle-income geographies, and 27 were in upper-income geographies. One branch closure in a moderate-income geography was offset by one branch opening that was approximately 250 feet from the closed branch and in a moderate-income geography. One branch located in a moderate-income geography was closed as part of a market exit. For a majority of the other branch closures in moderate-income geographies, customers were routed to a nearby branch located in LMI geographies or within a one-mile radius of the closing branch that offered similar hours and services.

Branch hours and services do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and individuals. Branch hours are generally 9:00 a.m. to 6:00 p.m. Monday through Friday. A majority of the branches are open 9:00 a.m. to 1:00 p.m. on Saturday. Seven branches are open Sunday, including five branches in LMI geographies.

## **Community Development Services**

CONA is a leader in providing CD services that are responsive to the identified needs in the AA. Bank employees provided 23 thousand hours of service to 114 organizations in the AA that meet the definition of CD. This includes 30 employees who serve in leadership roles as Board or committee members for 32 of the organizations. A significant majority of the CD services, approximately 18 thousand hours, focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Other CD services were to organizations that focus on community services or affordable housing targeted to LMI individuals and economic development. The following are examples of CD services:

- A CONA associate served as a Board member for a nonprofit CDC with a mission including preserving and developing safe and affordable housing for LMI individuals.

The associate provided guidance on the development and preservation of affordable housing and evaluated and upgraded the organization's housing counseling program.

- CONA played a key role in supporting a nonprofit organization that partners with various other organizations to revitalize New York City neighborhoods that continue to be affected by the mortgage foreclosure crisis of several years ago. The organization purchases vacant single-family homes in targeted revitalization areas, rehabilitates them, and re-sells them to LMI families. A bank associate serves as Board President and has led the organization's efforts to purchase and rehabilitate bank-owned foreclosures to anchor blight reduction efforts. CONA has also assisted the organization by providing technical assistance in the planning, strategy, and purchase of the homes.
- During the evaluation period, a CONA associate served on the Board of Directors and another CONA associate provided technical assistance for a nonprofit organization that delivers business support services to small business owners. The organization provides one-on-one counseling, workshops and training, networking, and access to capital through its affiliate, an SBA micro-lender and certified CDFI.
- A CONA associate served as a Board member for a CDC that provides financial services to low-income families, small business training, and financing for small business growth and development. Another CONA associate served on the loan committee and provided technical assistance with small business financing.

## **Philadelphia-Camden-Wilmington, PA-NJ-DE MMA**

**CRA rating for the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA <sup>2</sup>: 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:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, limited resources, strong competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with good distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA;
- Limited services are offered at the café; and
- CONA is a leader in providing CD services, after considering CONA's limited presence and staffing in the AA.

## **Description of Institution's Operations in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA**

CONA's Philadelphia MMA AA consists of a portion of the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMA and includes Philadelphia County in the Philadelphia MD and New Castle County in the Wilmington, DE-MD-NJ MD. It excludes the Camden, New Jersey MD, the Montgomery County-Bucks County-Chester County, Pennsylvania MD, Delaware County in the Philadelphia MD, and Cecil County, Maryland and Salem County, New Jersey in the Wilmington MD. CONA designated only those counties in the MMA where they have a deposit-taking presence.

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<sup>2</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

CONA's presence in this AA is limited to one café with two deposit-taking ATMs in Philadelphia County, Pennsylvania and two deposit-taking ATMs in New Castle County, Delaware, one of which is used exclusively by Capital One associates. There are no licensed branches in the Philadelphia MMA AA. CONA considers this a digital market for purposes of distributing banking products and services.

Based on the June 30, 2016 FDIC Summary of Deposits Market Share report, CONA has \$98.8 billion of deposits within the MMA, of which \$97.1 billion do not represent deposits originated from customers residing in the MMA. The \$97.1 billion, representing 46.71 percent of the bank's total domestic deposits, consists of Internet deposits that are assigned, for accounting purposes, to a processing facility in Wilmington, Delaware. For analysis purposes, the Internet deposits that were located in CONA's footprint were allocated to a specific AA, based on where the customer lives. The Internet deposits that were located outside of CONA's designated AAs were assigned to CONA's headquarters, which is located in the Washington, DC MMA AA. For analysis purposes, \$1.7 billion of Internet deposits originated from customers residing within the Philadelphia MMA AA and were allocated to this AA. Based on the bank's allocated deposits of \$1.7 billion, CONA would have a deposit market share of 0.69 percent and would rank 14<sup>th</sup> among 64 depository institutions (including CONA) in the MMA. Other depository institutions in the MMA include TD Bank, Chase Bank USA, and Barclays Bank. The bank originated or purchased 1.55 percent of its evaluation period lending in the Philadelphia MMA AA.

Refer to the community profile for the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA**

We based our rating of the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA on the area that received a full-scope review. We conducted a full-scope review of the Philadelphia MMA AA, which is the only AA in the MMA. For the lending test, the bank's performance related to home improvement loans was not analyzed or discussed because the limited volume of activity did not provide for a meaningful analysis. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE MMA**

### **LENDING TEST**

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

The bank's performance under the lending test in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA is rated outstanding. Based on a full-scope review, the bank's performance in the Philadelphia MMA AA is excellent.

## **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, limited resources, strong competition, and the bank's focus on small business lending. Within the MMA, 94 percent of the bank's loans were small loans to businesses and six percent were home mortgage loans. Based on the bank's allocated deposits of \$1.7 billion, CONA would have a deposit market share of 0.69 percent and would rank 14<sup>th</sup> among 64 (including CONA) depository institutions in the MMA. In overall home mortgage lending, CONA ranks 66<sup>th</sup> with a 0.36 percent market share. For home purchase lending, the bank ranks 70<sup>th</sup> with a 0.30 percent market share. For home improvement lending, the bank ranks 28<sup>th</sup> with a 0.74 percent market share. For home refinance lending, the bank ranks 56<sup>th</sup> with a 0.39 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Philadelphia MMA AA, there is strong competition for home mortgage lending. There are 542 lenders, many without a depository presence. In contrast, there are 64 depository institutions in the AA. For small loans to businesses, the bank ranks second with a 10.02 percent market share. There are 144 lenders in the market. The top small business lender, American Express, has a 24.37 percent market share and is a nationwide lender that has a significant small business credit card portfolio.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA. CONA has good geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Tables 2, and 4 in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA 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 overall geographic distribution of home mortgage lending in the Philadelphia MMA AA is good. The geographic distribution of home purchase loans is excellent and home refinance loans is good.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home

purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is good. The percentage of home refinance loans originated or purchased in low-income geographies is somewhat lower than the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies is near to the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Philadelphia MMA AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is adequate in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA. CONA has good borrower distribution of home mortgage loans and an adequate distribution of small loans to businesses.

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

Refer to Tables 8 and 10 in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA 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.

The overall distribution of loans to borrowers of different income levels is good. The borrower distribution of home purchase loans is excellent and home refinance loans is good.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers is near to the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is good. The percentage of home refinance loans originated or purchased to low-income borrowers is lower than the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Philadelphia MMA AA is adequate, after considering CONA's limited presence in the market. Revenue was not reported for approximately 41 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 99.92 percent of the loan originations are for \$100 thousand or less. The percentage of small loans to small businesses is near to the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume and Other Products in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. During the evaluation period, the bank originated 21 CD loans totaling \$303

million that were responsive to AA credit needs. This volume represents over 100 percent of allocated Tier One Capital. CONA provided one LC with a CD purpose in the amount of \$224 thousand. A large majority of the loans addressed the need for creating or preserving affordable housing, including rental housing, for LMI individuals. The following are examples that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided a construction loan of \$14.4 million to help finance the development of a new affordable housing property in Philadelphia. The property, developed by two local nonprofit organizations, has 94 units, all of which are reserved for LMI households. It includes 47 units set aside for homeless persons and 50 units that benefit from HUD Section 8 subsidies from the Philadelphia Housing Authority. This complex transaction involved additional sources of funding, including a developer loan and a grant from the Federal Home Loan Bank of Atlanta. Resident services are provided by a nonprofit organization that empowers individuals to break the cycle of poverty and homelessness. Services include health care, education, and job training for vulnerable populations, including youth aging from foster care, members of the LGBT community, and seniors 62 and older.
- CONA provided a construction loan for \$7.5 million to help finance the development of an affordable housing property in Philadelphia. The development is located in a moderate-income geography, on a site targeted by the city for affordable housing. The property, co-developed by a local nonprofit organization, has 45 units, all reserved for LMI households. Ten of the units are handicap-accessible and five were made available for homeless families. This complex transaction involved six layers of financing, including LIHTCs and local public funding, and responds to the critical need for affordable housing.
- CONA provided a construction loan of \$6 million and a LC in the amount of \$224 thousand to help finance the development of an affordable housing property in New Castle County, Delaware. The development is located on a site previously occupied by an abandoned affordable housing property. It contains 56 units, all of which are reserved for LMI households and subsidized by either HUD or the Newark Housing Authority. Various social services are provided on site, including personal financial management.

### **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. During the evaluation period, the bank originated 41 FHA loans totaling \$5.4 million and three VA loans totaling \$420 thousand.

To help address the needs of low-income families, CONA participates in a responsive loan purchase program with Habitat for Humanity of New Castle County. CONA has an arrangement with Habitat for Humanity, whereby the bank purchases mortgage loans from the organization in order to provide it with needed cash flow. This is a complex, innovative, and responsive program to which CONA has dedicated substantial resources. The Philadelphia

MMA AA is highly banked with significant competition for loans and investments in quality LIHTC funded affordable housing developments.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA is rated outstanding. Based on a full-scope review, the bank's performance in the Philadelphia MMA AA is excellent.

Refer to Table 14 in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 159 qualified investments totaling \$116.6 million, including LIHTCs totaling \$111.7 million. Additionally, seven prior period investments totaling \$29.1 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 83.82 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided a \$6 million LIHTC investment to assist in financing the development of a new 108-unit affordable housing property in Wilmington, Delaware. All units are reserved for LMI families with incomes at or below 60 percent of area median income (AMI). The property is located in a moderate-income geography and is part of a multi-year, multi-phase redevelopment effort to create 450 affordable housing units for LMI families in the surrounding area. The development is conveniently located with many retailers, restaurants, recreational opportunities, and community services within the immediate vicinity.
- Another example of a complex investment is a \$13.9 million LIHTC investment to assist in financing the development of a new 51-unit affordable housing property in Philadelphia, Pennsylvania. All units are reserved for senior LMI tenants earning at or below 60 percent of AMI. Six of the units are set aside for the homeless earning at or below 20 percent of AMI. The existing building on the site was originally built in 1925 and was once a Philadelphia landmark. The building has suffered deterioration and vandalism and was vacant for over a decade. The development is located in a "neighborhood commercial corridor" that aligns with a city strategy to reduce blight,

provide housing for the elderly, and attract private investment to the surrounding area. Residents will benefit from the property's close proximity to a senior center, which offers a free membership, free lunches, and a range of low-cost activities and programs.

## **SERVICE TEST**

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

The bank's performance under the service test in the Philadelphia-Camden-Wilmington, PA-NJ-DE MMA is rated high satisfactory. Based on a full-scope review, the bank's performance in the Philadelphia MMA AA is good.

### **Retail Banking Services**

Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA. CONA has one café, located in an upper-income geography, with two deposit-taking ATMs in Philadelphia County, Pennsylvania, and two deposit-taking ATMs in New Castle County, Delaware, one of which is used exclusively by Capital One associates. No branches were opened or closed during the evaluation period. CONA's ADS, provided through deposit-taking ATMs, online, and mobile banking, are the bank's primary banking channel. There are no publicly accessible deposit-taking ATMs in LMI geographies. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is greater than the conservatively estimated population of fully banked LMI consumers. Limited services are offered at the café location. The café is open six days a week, and the hours are 7:00 a.m. to 6:00 p.m. Monday through Friday and 8:00 a.m. to 4:00 p.m. on Saturday.

### **Community Development Services**

CONA is a leader in providing CD services, after considering local competition, the bank's limited presence, and the limited available staffing in the AA to provide CD services. Bank employees provided six thousand hours of service to 39 organizations in the AA that meet the definition of CD. This includes 16 employees who serve in leadership roles as Board or committee members for 19 of the organizations. A significant majority of the CD services time, four thousand hours, focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Other CD services were to organizations that focus on community services or affordable housing targeted to LMI individuals and economic development. The following are examples of CD services demonstrating leadership and responsiveness:

- A CONA associate serves as a Board member for a nonprofit organization that provides simple, decent, affordable homes for low-income families. The nonprofit organization strives to restore communities and empower individuals through education and hard work, while achieving the end goal of affordable housing for low-income families. In addition to the associate serving on the Board, other CONA associates provided CD services to the organization.
- CONA associates devoted four hundred hours to teaching coding skills to students from two local schools that primarily serve students from LMI families.

## **Washington-Arlington-Alexandria, DC-VA-MD-WV MMA**

**CRA rating for the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA<sup>3</sup>: Outstanding**

**The lending test is rated: Outstanding**  
**The investment test is rated: Outstanding**  
**The service test is rated: Outstanding**

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the strong competition and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems are readily accessible to geographies and individuals of different income levels in the bank's AA;
- CONA's ADS were effective in providing customers with additional availability and access to retail banking services; and
- CONA is a leader in providing CD services that are responsive to the needs of the bank's AA.

## **Description of Institution's Operations in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA**

CONA defined a portion of the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA as its AA. The bank delineated a portion of the Washington-Arlington-Alexandria MD and the entire Silver Spring-Frederick-Rockville MD as its Washington, DC MMA AA. The bank excluded Clarke, Rappahannock, and Warren counties in Virginia and Jefferson County in West Virginia from the Washington-Arlington-Alexandria MD because the bank does not have a deposit-taking presence in these counties.

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<sup>3</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

In April 2015, CONA made a business decision to close its branch in Culpeper, Virginia and exit this market. In July 2016, CONA made a business decision to close the two branches in Spotsylvania, Virginia and the one branch in Fredericksburg, Virginia and exit these markets. The impact of CONA's exit in these markets was minimal. CONA had a limited presence and market share in these areas, and the areas were being served by several other large financial institutions.

CONA operates 142 branches, including two branches located in geographies with no income designation, and 375 deposit-taking ATMs at 147 locations within the Washington, DC MMA AA. Three of the ATMs, located in upper-income geographies, are used exclusively by Capital One associates. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the Washington, DC MMA AA totaled \$25.7 billion (excluding allocated and unallocated Internet deposits), representing 12.35 percent of the bank's total domestic deposits. Retail banking competition in the Washington, DC MMA AA is significant. In terms of deposit market share, CONA ranks fourth out of 80 institutions with a deposit market share of 11.57 percent. E\*TRADE Bank ranks first with a 14.99 percent deposit market share, Wells Fargo ranks second with a 14.32 percent deposit market share, and Bank of America ranks third with a 13.66 percent deposit market share. The bank made 11.22 percent of its evaluation period loans in the Washington, DC MMA AA.

In evaluating CD lending and investments for the Washington, DC MMA AA, the OCC took into consideration the significant portion of unallocated Internet deposits that were assigned to CONA's headquarters, which is located in this MMA. To provide perspective regarding the relative level of CD lending and investments in each AA, the OCC allocated a portion of the bank's Tier One Capital to each AA based on its pro rata share of deposits as a means of comparative analysis. Because the unallocated Internet deposits cause a significant increase to the resulting capital base in the Washington, DC MMA AA, we evaluated CD lending and investments as a percentage of Tier One Capital with and then without the unallocated Internet deposits.

In evaluating the Washington, DC MMA AA, the OCC considered the significant affordability barriers in this high-cost housing market, the transient nature of the population as well as the other economic conditions discussed in the community profile for the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA in Appendix C. For the investment test, we considered the strong competition and high prices for LIHTCs in the Washington, DC MMA AA.

Refer to the community profile for the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

### **Scope of Evaluation in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA**

We based our rating of the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA on the area that received a full-scope review. We conducted a full-scope review of the Washington,

DC MMA AA, which is the only AA in the MMA. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV MMA**

### **LENDING TEST**

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

The bank's performance under the lending test in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA is rated outstanding. Based on a full-scope review, the bank's performance in the Washington, DC MMA AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the strong competition and the bank's focus on small business lending. Within the MMA, 92 percent of the bank's loans were small loans to businesses and eight percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks fourth out of 80 institutions with a deposit market share of 11.57 percent in the Washington, DC MMA AA. In overall home mortgage lending, CONA ranks 39<sup>th</sup> with a 0.60 percent market share. For home purchase lending, the bank ranks 60<sup>th</sup> with a 0.35 percent market share. For home improvement lending, the bank ranks ninth with a 1.81 percent market share. For home refinance lending, the bank ranks 28<sup>th</sup> with a 0.73 percent market share. For multifamily lending, the bank ranks eighth out of 71 lenders with a 3.86 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Washington, DC MMA AA, there is strong competition for home mortgage lending. There are 794 lenders, many without a depository presence. In contrast, there are 80 depository institutions in the AA. For small loans to businesses, the bank ranks second with a 17.10 percent market share. There are 188 lenders in the market. American Express ranks first with a 25.52 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Tables 2, 3, 4, and 5 in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA 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 overall geographic distribution of home mortgage lending in the Washington, DC MMA AA is excellent. The geographic distribution of home purchase, home improvement, home refinance, and multifamily loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home improvement loans originated or purchased in low-income geographies is near to the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of multifamily loans is excellent. The bank originated or purchased 65 multifamily loans during the evaluation period. The percentage of multifamily loans originated or purchased in low-income geographies exceeds the percentage of multifamily units in low-income geographies. The percentage of multifamily loans originated or purchased in moderate-income geographies exceeds the percentage of multifamily units in moderate-income geographies. The percentage of multifamily loans originated or purchased in low-income geographies is somewhat lower than the aggregate percentage of all reporting

lenders. The percentage of multifamily loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Washington, DC MMA AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is good in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA. CONA has excellent borrower distribution of home mortgage loans and good distribution of small loans to businesses.

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

Refer to Tables 8, 9, and 10 in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA 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.

In evaluating the Washington, DC MMA AA, the OCC considered the significant affordability barriers, the transient nature of the population as well as the other economic conditions discussed in the community profile for the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA in Appendix C. Washington, DC is considered a high cost of living city. Home ownership for LMI families in the Washington, DC MMA AA is difficult due to the high cost of living and high home purchase price. LMI families also have the challenge of accumulating a sufficient down payment. A high percentage of residents in this AA are renters due to the high cost of housing, affordability barriers, and the transient nature of the population. The median single-family housing value for the Washington, DC MMA AA is \$437,867. The 2016 FFIEC adjusted median family income for the Washington, DC MMA AA is \$107,200. Low-income families earn less than \$53,600 and moderate-income families earn less than \$85,760. Seven percent of the households are below the poverty level. There are disparities in income levels and housing values throughout the counties that comprise the AA.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is excellent, home improvement loans is good, and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home improvement loans is good. The percentage of home improvement loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to low-income borrowers is significantly lower than the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Washington, DC MMA AA is good. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is somewhat lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics data, the majority of originated loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 98.54 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses exceeds aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume and Other Products in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. During the evaluation period, the bank originated 100 CD loans totaling \$2.2 billion that were responsive to AA credit needs. Additionally, CONA provided two LCs totaling \$1 million that had a CD purpose. A large majority of the loans addressed the need for creating or preserving affordable housing, including rental housing, for LMI individuals. This is a critical need within the AA. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided a construction loan of \$25.5 million to help finance the renovation of a public housing development in Washington, DC. The development is located in a low-income geography and within a designated HUD Empowerment Zone. The property has 208 units, all of which are reserved for LMI households. Residents are provided services designed to improve job skills, encourage youth summer employment and education, and promote public safety. This transaction involved several sources of financing, including rental subsidies provided by the District of Columbia Housing Finance Agency (DCHFA) through HUD's Moving to Work (MTW) program. The development was innovative in that it was the first transaction in which the DCFHA used this subsidy structure and also the first CONA financed transaction to use it. The loan was responsive to the critical need of affordable housing and social services in a high cost market, and helped to revitalize a distressed low-income geography.
- CONA provided debt financing of \$11.5 million to help finance the new construction of a 93-unit affordable housing development in Alexandria, Virginia. All 93 units will be reserved for LMI households. The transaction was complicated by a state requirement that the land acquisition be financed separately from the residential construction. This required the bank to underwrite two separate financing packages: a \$1.5 million ground lease loan and a \$10 million construction loan. Residents will be offered a variety of social services focusing on educational programs and social activities for children and teens. In addition, adults will have access to literacy and English-language classes, and there will be an on-site day care center. The city of Alexandria also provided funding.
- CONA provided a construction loan of \$12 million to finance a 98-unit affordable housing development for LMI seniors in Warrenton, Virginia. The project involves the rehabilitation of 68 existing units and the construction of 30 new units. All units will be reserved for LMI households. Six of the existing units will be upgraded to include handicap accessible features. The bank's financing addresses the need of affordable housing for LMI seniors.

- CONA provided a construction loan of \$11.3 million to finance the new construction of a multifamily property in Silver Spring, Maryland. Ninety-five of the 105 units are reserved for LMI tenants with incomes at or below 60 percent of AMI. All units are reserved for seniors and 39 units benefit from HUD Section 8 rental assistance. A public housing agency provides the HUD Section 8 tenants with access to social workers and other social service providers. This project demonstrates CONA's innovation and leadership, as it involved the first Freddie Mac tax exempt loan, featuring a streamlined process, closed in Maryland. The transaction was underwritten over a period of 18 months due to the level of complexity that required ongoing restructuring and repricing.

## **Product Innovation and Flexibility**

CONA makes limited use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test rating. During the evaluation period, the bank originated 145 FHA loans totaling \$36.7 million, 164 CHB loans totaling \$34 million, 21 VA loans totaling \$6.1 million, and 33 SUHILs totaling \$144 thousand. CONA also originated 85 SBA loans totaling \$34.6 million.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA is rated outstanding. Based on a full-scope review, the bank's performance in the Washington, DC MMA AA is excellent.

Refer to Table 14 in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership often, and makes extensive use of complex investments to support CD initiatives. CONA originated 395 qualified investments totaling \$294.9 million, including LIHTCs totaling \$277.7 million. Additionally, 69 prior period investments totaling \$228.1 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 6.14 percent of the bank's allocated Tier One Capital and is considered excellent after considering the high volume of Internet deposits allocated to the MMA.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- One example that demonstrates the bank's use of complex investments and the bank's responsiveness is CONA's \$35.6 million LIHTC investment to assist in the financing of a 233-unit affordable rental property in Washington, DC. All of the units will be reserved for LMI households. The development is located in a low-income geography and the project includes 50 units for families with a senior head of household (55+) who is caring for a related child/children younger than 18. CONA also committed to a \$200 thousand Social Purpose grant to provide support services to the families.
- Another example of a complex and highly responsive investment is an \$11.9 million LIHTC investment to assist in financing the construction of a 116-unit housing development in Washington, DC. The site has been a vacant lot and is located in a low-income geography where the median income is 24 percent of AMI. All 116 units are reserved for LMI, and 20 of the units offer permanent supportive housing for low-income tenants. Fifteen of the supportive housing units are for households that are homeless or at risk of homelessness and are served by the Mental Health Department. The other five units are for youth who are aging out of foster care and are served by one of CONA's CD partners. Financing for the project included financing from another bank, a local Community Development Corporation, and a Department of Housing and Community Development. This project also helped to revitalize and stabilize a LMI neighborhood.
- CONA provided a LIHTC investment of \$14.8 million to help finance the new construction of a residential apartment building in downtown Silver Spring, Maryland. The development contains 149 units reserved for seniors (age 62+), of which 139 are reserved for LMI seniors with income at or below 60 percent of AMI. Preference is given to tenants with disabilities. Thirteen of the units are accessible to the mobility impaired. The property site is part of a larger mixed-use development in a moderate-income geography that includes affordable housing as well as a new library and a future transit station. The downtown location provides convenient access to community services, grocery stores, pharmacies, and shopping. The project was complex in that it involved six layers of financing, and highly responsive as it addressed the critical affordable housing needs for seniors and disabled persons in a high cost market.
- Through the B2B program, CONA provided \$200 thousand in grants to two nonprofit organizations to support predevelopment of two affordable housing developments in the MMA. The first development will be a mixed-use development in Arlington, Virginia that will contain commercial space and 173 residential units for LMI households. Eleven of the units will be built to ADA standards for those with physical disabilities. The second development will be a 79-unit mixed-use complex in Montgomery County, Maryland that will include 68 rental units and 11 ownership townhouses. All of the rental units will be for LMI households, and four of the 11 townhouses will be sold to LMI households. For all units, preference will be given to tenants and owners working in the creative arts.

## **SERVICE TEST**

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

The bank's performance under the service test in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA is rated outstanding. Based on a full-scope review, the bank's performance in the Washington, DC MMA AA is excellent.

## **Retail Banking Services**

Refer to Table 15 in the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CONA's retail delivery systems are readily accessible to geographies and individuals of different income levels in the bank's AA. There are 142 branches within the Washington, DC MMA AA, including two branches that are located in geographies with no income designation. The percentage of CONA's branches located in low-income geographies exceeds the percentage of the population residing in those geographies. The percentage of CONA's branches located in moderate-income geographies exceeds the percentage of the population residing in those geographies.

CONA's ADS, including deposit-taking ATMs, online, and mobile banking, were effective and provide customers with additional availability and access to retail banking services. The distribution of deposit-taking ATMs is not inconsistent with the branch distribution. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is significantly greater than the conservatively estimated population of fully banked LMI consumers.

CONA's record of closing branches has not adversely affected the accessibility of its delivery systems in the AA, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, no branches were opened and 47 branches were closed. Fourteen of the closed branches were located in moderate-income geographies, 32 were located in MUI geographies, and one was located in a geography with no income designation. Two of the branches, located in moderate-income geographies, were closed as part of a market exit. For the other 12 branch closures in moderate-income geographies, there is a branch within a five mile radius of the closing branch that offered similar hours and services. Additionally, for a majority of the moderate-income branch closures, CONA has at least one deposit-taking ATM within 2.5 miles of the closed branch. The branch closures did not adversely affect the branch distribution in LMI geographies within the AA.

Branch hours and services do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and individuals. Branch hours are 9:00 a.m. to 5:00 p.m. Monday through Friday. Most branches are open Saturday, including 37 branches in LMI geographies.

## Community Development Services

CONA is a leader in providing CD services that are responsive to the identified needs in the AA. CONA employees provided more than 15 thousand hours of service to 102 organizations in the AA that meet the definition of CD. This includes 27 employees who serve in leadership roles as Board or committee members for 35 of the organizations. A significant majority of the CD services, approximately 11 thousand hours, focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Other CD services were provided to organizations that focus on community services or affordable housing targeted to LMI individuals and economic development. The following are examples of CD services CONA associates provided during the evaluation period:

- CONA continued its partnership with a local nonprofit economic development corporation to operate the Capital One Entrepreneur Lab in the Anacostia section of Washington, DC. The Lab, which opened during the previous evaluation period, provides more than 40 small businesses with affordable workstations, including private and shared offices, access to meeting space, shared office equipment, and access to business development workshops conducted by CONA bankers and other experts. This initiative promotes economic development and new job creation in a historically lower-income community.
- A CONA associate serves on the Finance Committee of the Board of Directors for a nonprofit organization located in Frederick County, Maryland. The organization's mission is to provide educational services and legal assistance to limited English proficiency residents to promote full participation in the community. This includes English language courses, citizenship preparation courses, tax assistance, and mediation. The organization is located in a low-income geography in Frederick County, Maryland and primarily serves LMI residents of the community.
- A CONA associate serves on the Board of Directors (including one year of service as Board Chairman) of a nonprofit organization in Montgomery County, Maryland that provides food to those in need. The organization collects donations of surplus fresh food from restaurants, caterers, and other food donors, and then distributes the food to families in need, shelters, food banks, and other organizations that assist in feeding the hungry.
- A CONA associate serves on the Board of Directors for a local nonprofit organization whose mission is to create jobs and entrepreneurial opportunities for low-income immigrant, refugee, and at-risk women in the MMA. This is an intensive year-long program consisting of entrepreneurship training, mentoring, coaching and peer support for women in the beginning stages of launching a new micro-business. Further, CONA associates provided 138 hours of training and technical assistance for the organization's clients during the evaluation period.
- CONA associates devoted approximately one thousand hours to teaching coding skills to students from schools in the MMA that primarily serve students from LMI families.

## State of California

<b>CRA Rating for California:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, limited resources, strong competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA;
- Limited services are offered at the cafés; and
- CONA provides a limited level of CD services.

## Description of Institution's Operations in California

CONA has delineated two AAs within the state of California. The entire Los Angeles-Long Beach-Glendale, CA MD (Los Angeles AA), which is comprised of Los Angeles County, and a portion of the San Francisco-Redwood City-South San Francisco, CA MD (San Francisco AA). The bank has delineated only San Francisco County as its AA. San Mateo County was excluded because CONA does not have a deposit-taking presence in this county.

Within the state of California, CONA's presence is limited. CONA has two cafés and six deposit-taking ATMs in the Los Angeles AA. One of the Los Angeles cafés did not open until December 2016, near the end of the evaluation period. CONA also has one café with two deposit-taking ATMs in San Francisco. There are no licensed branches within the state of California. CONA considers this a digital market for purposes of distributing banking products and services.

Because CONA does not have a licensed branch in California, there are no deposits reported on the June 30, 2016 FDIC Summary of Deposit Market Share report for the state of California. For analysis purposes, \$6.4 billion of Internet deposits originated from customers residing in the state of California and were allocated to the state of California. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, there are 125 depository institutions with branch operations in the state of California. Bank of America ranks first with a 27.80 percent deposit market share, Wells Fargo ranks second with a 15.76 percent deposit market share, and JPMorgan Chase ranks third with an 8.53 percent deposit market share. The bank made 11.53 percent of its evaluation period loans in the state of California.

In evaluating the Los Angeles AA, the OCC considered the significant affordability barriers that exist in this high-cost housing market. Additionally, opportunities to lend in low-income geographies are limited. Of the 1.5 million owner-occupied housing units in the AA, only 2.13 percent are in low-income geographies. The Los Angeles AA is highly banked with significant competition for loans and investments in quality LIHTC-funded affordable housing developments. Affordable housing is a critical need in the Los Angeles AA.

Refer to the community profiles for the state of California in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in California**

In evaluating the state of California, the Los Angeles AA was selected for full-scope procedures and most heavily weighted in our overall conclusions. The Los Angeles AA has the substantial majority of deposits (77.19 percent of the bank's allocated Internet deposits) and lending (89.82 percent of the lending) within the state of California. The San Francisco AA was analyzed using limited-scope procedures. We based our ratings primarily on the results of the area that received a full-scope review. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of California is rated outstanding. Based on a full-scope review, the bank's performance in the Los Angeles AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of California section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, limited resources, strong competition, and the bank's focus on small business lending. Within the Los Angeles AA, 99 percent of the bank's loans were small loans to businesses and one percent were home mortgage loans. Because CONA does not have a licensed branch in the Los Angeles AA, CONA is not included in the June 30, 2016 FDIC Summary of Deposit Market Share report. For reference, based on the bank's allocated deposits of \$4.9 billion, CONA would have a deposit market share of 1.28 percent and would rank 14<sup>th</sup> among 109 (including CONA) depository institutions in the AA. In overall home mortgage lending, CONA ranks 146<sup>th</sup> with a 0.08 percent market share. For home purchase lending, the bank ranks 184<sup>th</sup> with a 0.04 percent market share. For home improvement lending, the bank ranks 79<sup>th</sup> with a 0.21 percent market share. For home refinance lending, the bank ranks 125<sup>th</sup> with a 0.09 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Los Angeles AA, there is strong competition for home mortgage lending. There are 829 lenders, many without a depository presence. In contrast, there are 108 depository institutions in the AA. For small loans to businesses, the bank ranks sixth with a 6.66 percent market share. There are 188 lenders in the market. American Express ranks first with a 29.87 percent market share, Wells Fargo ranks second with a 13.10 percent market share, and Bank of America ranks third with an 11.32 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of California. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Tables 2, 3, and 4 in the state of California 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.

In evaluating the geographic distribution of home mortgage loans, the OCC considered the bank's limited presence, the significant competition for loans, and the opportunities to lend in low-income geographies are limited. Of the 1.5 million owner-occupied housing units in the AA, only 2.13 percent are in low-income geographies.

The overall geographic distribution of home mortgage lending in the Los Angeles AA is excellent. The geographic distribution of home purchase loans is excellent, home improvement loans is adequate, and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of

home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home improvement loans is adequate, after considering CONA's limited presence and the level of competition in the market. The percentage of home improvement loans originated or purchased in low-income geographies is somewhat lower than the percentage of owner-occupied units in low-income geographies. The percentage of home improvement loans originated or purchased in moderate-income geographies is lower than the percentage of owner-occupied units in moderate-income geographies. The percentage of home improvement loans originated or purchased in low-income geographies is somewhat lower than the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased in moderate-income geographies is lower than the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of California section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Los Angeles AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is adequate in the state of California. CONA has excellent borrower distribution of home mortgage loans and adequate distribution of small loans to businesses.

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

Refer to Tables 8, 9, and 10 in the state of California 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.

In evaluating the Los Angeles AA, we considered the significant affordability barriers that exist in this high-cost housing market. Los Angeles is one of the most expensive places to live in the U.S. Home ownership for LMI families in the Los Angeles AA is difficult due to the high cost of living and high home purchase price. LMI families also have the challenge of accumulating a sufficient down payment. The median single-family housing value for the Los Angeles AA is \$526,439. Overall, high home prices force the majority of Los Angeles County residents to rent, and rents are high compared to incomes. The 2016 FFIEC adjusted median family income for 2016 was \$62,400. Low-income families earned less than \$31,200 and moderate-income families earned less than \$49,920. Fourteen percent of households are below the poverty level.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is excellent, home improvement loans is poor, and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent, after considering the bank's limited presence, competition, and the significant affordability challenges. Although the percentage of home purchase loans originated or purchased to low-income borrowers is significantly lower than the percentage of families defined as such in the AA, it is considered adequate after considering the significant affordability challenges and the bank's limited presence in this AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home improvement loans is poor. The percentage of home improvement loans originated or purchased to low-income borrowers is significantly lower than the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to moderate-income borrowers is significantly lower than the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to low-income borrowers is somewhat lower than the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased to moderate-income borrowers is lower than the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent, after considering the bank's limited presence, competition, and the significant affordability challenges. Although the percentage of home refinance loans originated or purchased to low-income borrowers is

somewhat lower than the percentage of families defined as such in the AA, it is considered good after considering the significant affordability challenges and the bank's limited presence in this AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of California section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Los Angeles AA is adequate, after considering CONA's limited presence. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 99.97 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses is near to the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume and Other Products in the state of California section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. During the evaluation period, the bank originated 29 CD loans totaling \$232 million that were responsive to AA credit needs. This volume represents 47.25 percent of allocated Tier One Capital. CONA also issued two LCs totaling \$880 thousand in the Los Angeles AA that have a CD purpose. The loans were responsive to the identified needs of the AA, including affordable housing and area revitalization. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA funded a loan of \$42.5 million to a school district in connection with a bond issuance used for construction of school facilities. The underwriting process required an extensive review of municipal tax regulations, demonstrating the complexity of the loan. A large majority of the students served by the school district are from LMI families.

- CONA provided a loan of \$14.7 million to finance an apartment complex in San Pedro (Los Angeles County). The property contains 113 units, all of which are subsidized by HUD Section 8 housing assistance and restricted to low-income tenants. This transaction is responsive to the need for affordable housing in a high-cost area.

### **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. During the evaluation period, the bank originated 14 FHA loans totaling \$3.3 million, 16 CHB loans totaling \$5.1 million, and seven VA loans totaling \$1.55 million.

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

Based on a limited-scope review, the bank's performance under the lending test in the San Francisco AA is not inconsistent with the bank's overall outstanding performance under the lending test in the state of California. Performance in the limited-scope AA did not significantly affect the lending test rating for the state of California. Refer to the Tables 1 through 13 in the state of California section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of California is rated outstanding. Based on a full-scope review, the bank's performance in the Los Angeles AA is excellent.

Refer to Table 14 in the state of California section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 73 qualified investments totaling \$72.7 million, including LIHTCs totaling \$71.7 million. Additionally, four prior period investments totaling \$12.6 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 17.36 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided a \$3.1 million LIHTC investment in a 348-unit senior living complex, of which 337 units are designated as affordable rental housing for LMI seniors. The property is unique in that it is owned and managed by a nonprofit organization that provides services to veterans and to parents of veterans lost in service. According to the organization's website, the facility is the only one of its kind in the country. The units are available to veterans and parents, as well as other LMI seniors. The property currently has a two-year waiting list.
- CONA provided a \$7.6 million LIHTC investment to support the rehabilitation of 49 units of affordable rental housing for LMI seniors. All units benefit from HUD Section 8 assistance, assuring the property, located very close to Beverly Hills, remains affordable for LMI seniors.
- An example of responsiveness is a \$110 thousand grant provided to a nonprofit organization with a mission to developing affordable housing and provide access to economic development opportunities for LMI families. The bank's grant supported the organization's homeownership counseling program and its development of a 66-unit affordable housing property.

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

Based on a limited-scope review, the bank's performance under the investment test in the San Francisco AA is not inconsistent with the bank's overall outstanding performance under the investment test in the state of California. Performance in the limited-scope AA did not significantly affect the investment test rating for the state of California. Refer to the Table 14 in the state of California section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of California is rated low satisfactory. Based on a full-scope review, the bank's performance in the Los Angeles AA is adequate.

### **Retail Banking Services**

Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA. CONA has two café locations with six deposit-taking ATMs within the AA. One of the two café locations, Glendale, was opened in December 2016, and it is located in an upper-income geography. Four of the bank's six deposit-taking ATMs are located within this newly opened café. The other café, Westwood, is located in a middle-income geography and two of the bank's six deposit-taking ATMs are located within this café. No branches were opened or closed during the evaluation period. CONA's ADS, provided through deposit-taking ATMs, online, and mobile banking, are the

bank's primary banking channel. There are no deposit-taking ATMs in LMI geographies. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. The bank's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is equivalent to the conservatively estimated population of fully banked LMI consumers. Limited services are offered at the café locations. The Westwood café hours are 6:30 a.m. to 4:00 p.m. Monday through Friday. The Glendale café hours are 8:00 a.m. to 9 p.m. Monday through Thursday, 8:00 a.m. to 10 p.m. Friday and Saturday, and 9:00 a.m. to 8 p.m. on Sunday.

### **Community Development Services**

CONA provided a limited level of CD services in the AA. CONA associates provided 349 hours of CD services to three organizations. One bank employee serves in a leadership role as a Board or committee member of an organization focused on providing financial literacy and economic empowerment to LMI families and individuals. Additionally, 29 employees provided 338 hours of service to two organizations. One organization focused on providing financial education and literacy services to schools that predominantly serve LMI families. The other organization focused on providing career counseling and workforce development services to LMI women. A significant majority of the CD services, 338 hours, focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families.

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

Based on a limited-scope review, the bank's performance under the service test in the San Francisco AA is stronger than the bank's overall low satisfactory performance under the service test in the state of California. The primary reason for the stronger performance is the addition of a café and the two deposit-taking ATMs in a low-income geography. Performance in the limited-scope AA did not significantly affect the service test rating for the state of California.

## State of Connecticut

<b>CRA Rating for Connecticut:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects good responsiveness to the credit needs of its AA, after considering its limited presence, limited resources, strong competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional availability and effectiveness of the bank's ADS; and
- CONA provides a limited level of CD services.

## Description of Institution's Operations in Connecticut

CONA has delineated one AA in the state of Connecticut, which is the entire New Haven-Milford, CT MSA (New Haven AA). CONA operates one branch and one deposit-taking ATM in the New Haven AA, which consists of New Haven County. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits totaled \$160.4 million (excluding allocated Internet deposits), representing 0.08 percent of the bank's total domestic deposits. CONA ranks 16<sup>th</sup> out of 25 institutions with a 0.58 percent deposit market share. Major competitors with larger branch networks are Webster Bank, ranking first with a 36.3 percent deposit market share, Wells Fargo, ranking second with a 12.98 percent deposit market share, and Bank of America ranking third with an 11.19 percent deposit market share. The bank made 0.90 percent of its evaluation period loans in the state of Connecticut.

Refer to the community profiles for the state of Connecticut in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Connecticut**

We based our rating of the state of Connecticut on the area that received a full-scope review. We conducted a full-scope review of the New Haven AA, which is the only AA in the state of Connecticut. For the lending test, the bank's performance related to home purchase, home improvement, and home refinance loans was not analyzed or discussed because the limited volume of activity did not provide for a meaningful analysis. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CONNECTICUT**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Connecticut is rated outstanding. Based on a full-scope review, the bank's performance in the New Haven AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Connecticut section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects good responsiveness to the credit needs of its AA, after considering its limited presence, limited resources, strong competition, and the bank's focus on small business lending. Within the AA, 98 percent of the bank's loans were small loans to businesses and two percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks 16<sup>th</sup> out of 25 institutions with a 0.58 percent deposit market share in the AA. In overall home mortgage lending, CONA ranks 86<sup>th</sup> with a 0.18 percent market share. For home purchase lending, the bank ranks 104<sup>th</sup> with a 0.13 percent market share. For home improvement lending, the bank ranks 64<sup>th</sup> with a 0.23 percent market share. For home refinance lending, the bank ranks 71<sup>st</sup> with a 0.23 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the New Haven AA, there is strong competition for home mortgage lending. There are 369 lenders, many without a depository presence. In contrast, there are 25 depository institutions in the AA. For small loans to businesses, the bank ranks third with a 9.66 percent market share. There are 97 lenders in the market. The top small business lender, American Express, has a 24.17 percent market share and is a nationwide lender that has a significant small business credit card portfolio. Citigroup ranks second with a 9.83 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Connecticut. The distribution of small loans to businesses is excellent.

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

Refer to Table 6 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the New Haven AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is adequate in the state of Connecticut. CONA has an adequate distribution of small loans to businesses.

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

Refer to Table 11 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the New Haven AA is adequate. Revenue was not reported for approximately 49 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that approximately 99.89 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses is somewhat lower than the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Connecticut section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. During the evaluation period, CONA originated seven CD loans for \$35 million, which represents 66.26 percent of allocated Tier One Capital. The loans were responsive to the identified needs of the AA, including affordable housing and area revitalization. The following is an example of a complex and responsive CD loan:

- CONA provided \$12.7 million in NMTC financing to help construct the new headquarters building of a nonprofit organization in New Haven. The organization provides supportive housing and home health care services for low-income people with mental and intellectual disabilities. The new building will be the anchor property of a mixed-use development in a low-income geography in downtown New Haven. The state of Connecticut provided a \$7.5 million grant to help finance the organization's building and stimulate revitalization of downtown New Haven. This is considered a complex transaction, as NMTC projects require a very high level of expertise both at origination and during the compliance phase.

### **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. During the evaluation period, CONA originated or purchased eight FHA loans totaling \$1.3 million, one VA loan for \$138 thousand, and five SUHIL loans totaling \$17 thousand.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of Connecticut is rated outstanding. Based on a full-scope review, the bank's performance in the New Haven AA is excellent.

Refer to Table 14 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated ten investments totaling \$10.4 million, including \$10.3 million in LIHTCs. Additionally, seven prior period investments totaling \$5.5 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 29.98 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies.

The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided a \$7.5 million LIHTC investment to finance the rehabilitation of a 35-unit affordable housing development. Twenty-eight of the units are reserved for LMI households with incomes at or below 60 percent of AMI and nine units are restricted to 25 percent of AMI and benefit from HUD Section 8 subsidies. The five-story apartment building has been vacant for more than 20 years and is located in a low-income geography where many buildings suffer from deferred maintenance. The bank's commitment helped to revitalize a blighted LMI community.
- CONA provided a \$2.8 million LIHTC investment to finance the rehabilitation of a scattered-site, a 120-unit affordable housing development, located in a low-income geography. All of the units are reserved for LMI households with income at or below 60 percent of AMI and benefit from HUD Section 8 subsidies. The residential buildings were all originally constructed over 100 years ago and required renovation and modernization. This investment helped to revitalize and reduce blight in a LMI community.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Connecticut is rated low satisfactory. Based on a full-scope review, the bank's performance in the New Haven AA is adequate.

### **Retail Banking Services**

Refer to Table 15 in the state of Connecticut section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional availability and effectiveness of the bank's ADS. CONA's physical presence is limited to one branch and one deposit-taking ATM, both located in a middle-income geography. No branches were opened or closed during the evaluation period. CONA's ADS, including deposit-taking ATMs, online, and mobile banking, were effective and provide customers with additional availability and access to retail banking services. The bank provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. The bank's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers

residing in MUI geographies. The proportion of the bank's LMI customers using ADS is equivalent to the conservatively estimated population of fully banked LMI consumers.

### **Community Development Services**

CONA provides a limited level of CD services, after considering the limited presence in the AA. Two of the six bank employees in this AA provided a total of 24 hours of financial education and literacy services to LMI families in the AA.

## State of Delaware

<b>CRA Rating for Delaware<sup>4</sup>:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects good responsiveness to the credit needs of its AA, after considering its limited presence, limited resources, competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- An adequate borrower distribution of lending, with excellent distribution of home mortgage loans to borrowers of different income levels and an adequate distribution of small loans to businesses of different sizes;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional availability and effectiveness of the bank's ADS; and
- CONA provides a relatively high level of CD services that are responsive to the needs of the bank's AA.

## Description of Institution's Operations in Delaware

CONA has designated all of Sussex County, Delaware as its AA, which is portion of the Salisbury, MD-DE MSA (Salisbury AA). Somerset, Wicomico, and Worcester counties in Maryland were excluded because CONA does not have a deposit-taking presence in these counties. The state of Delaware rating does not include New Castle County, as that county was included in the Philadelphia MMA AA analysis.

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<sup>4</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

CONA has a limited physical presence in Delaware. The bank operates one branch and two deposit-taking ATMs in the resort town of Rehoboth Beach. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in this AA totaled \$69.8 million (excluding allocated Internet deposits), representing 0.03 percent of the bank's total domestic deposits. CONA ranks 11<sup>th</sup> out of 17 institutions with a 0.13 percent deposit market share. The dominant and primary competitors in this AA are Discover Bank with a 93.62 percent deposit market share, Manufactures and Traders Trust Company with a 1.62 percent deposit market share, and PNC Bank with a 1.43 percent deposit market share. The bank made 0.29 percent of its evaluation period lending in the state of Delaware.

There are only 53 geographies in the AA, with no low-income geographies and only seven moderate-income geographies. CD lending, investment and service opportunities are limited.

Refer to the community profiles for the state of Delaware in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Delaware**

We based our rating of the state of Delaware on the area that received a full-scope review. We conducted a full-scope review of the Salisbury AA, which is the only AA in the state of Delaware. For the lending test, the bank's performance related to home purchase and home improvement loans was not analyzed or discussed because the limited volume of activity did not provide for a meaningful analysis. There are no low-income geographies in the Salisbury AA; therefore, the geographic distribution for low-income geographies was not performed for home mortgage or small loans to businesses. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF DELAWARE**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Delaware is rated high satisfactory. Based on a full-scope review, the bank's performance in the Salisbury AA is good.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Delaware section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects good responsiveness to the credit needs of its AA, after considering its limited presence, limited resources, competition, and the bank's focus on small

business lending. Within the AA, 92 percent of the bank's loans were small loans to businesses and eight percent were home mortgage loans. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA ranks 11<sup>th</sup> out of 17 institutions with a 0.13 percent deposit market share. In overall home mortgage lending, CONA ranks 42<sup>nd</sup> with a 0.46 percent market share. For home purchase lending, the bank ranks 50<sup>th</sup> with a 0.34 percent market share. For home improvement lending, the bank ranks 28<sup>th</sup> with a 0.75 percent market share. For home refinance lending, the bank ranks 33<sup>rd</sup> with a 0.63 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Salisbury AA, there is strong competition for home mortgage lending. There are 350 lenders, many without a depository presence. In contrast, there are 17 depository institutions in the AA. For small loans to businesses, the bank ranks second out of 55 lenders with a 12.70 percent market share. The top small business lender, American Express, has a 17.89 percent market share and is a nationwide lender that has a significant small business credit card portfolio.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Delaware. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Table 4 in the state of Delaware 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.

In evaluation the geographic distribution of home mortgage loans, it is important to note there are only 53 geographies in the AA, with no low-income geographies and only seven moderate-income geographies.

The overall geographic distribution of home mortgage lending in the AA is excellent. The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of Delaware section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Salisbury AA is excellent. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income

geographies. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is adequate in the state of Delaware. CONA has excellent borrower distribution of home mortgage loans and adequate distribution of small loans to businesses.

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

Refer to Table 10 in the state of Delaware 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.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of Delaware section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Salisbury AA is adequate, after considering CONA's limited presence and the competition in the AA. Revenue was not reported for approximately 49 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 100 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses is near to the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Delaware section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes

geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

There were no CD loans originated or purchased during the evaluation period.

### **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test rating. During the evaluation period, CONA originated 12 FHA loans totaling \$2.1 million and one VA loan for \$219 thousand.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of Delaware is rated outstanding. Based on a full-scope review, the bank's performance in the Salisbury AA is excellent.

Refer to Table 14 in the state of Delaware section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 18 qualified investments totaling \$10.3 million, including \$10 million in LIHTC investments. Additionally, two prior period investments totaling \$3 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 72.88 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the Salisbury AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided a \$10 million LIHTC to preserve and rehabilitate a 104-unit affordable, rental property. Of the 104 units, 98 are reserved for LMI households. The rents for the units are subsidized by US Department of Agriculture Rural Development in an area where there is a strong demand for subsidized housing.
- CONA provided a \$75 thousand grant to a nonprofit affordable housing developer to support the organization's self-help housing program, which provides LMI families the opportunity to build their own homes.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Delaware is rated high satisfactory. Based on a full-scope review, the bank's performance in the Salisbury AA is good.

### **Retail Banking Services**

Refer to Table 15 in the state of Delaware section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional availability and effectiveness of the bank's ADS. CONA's physical presence is limited in the Salisbury AA, with one branch and two deposit-taking ATMs located in a middle-income geography. No branches were opened or closed during the evaluation period. There are no low-income geographies in the Salisbury AA and only seven moderate-income geographies in the AA. CONA's ADS, including deposit-taking ATMs, online, and mobile banking, were effective and provide customers with additional availability and access to retail banking services. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. The bank's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies is similar to the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is equivalent to the conservatively estimated population of fully banked LMI consumers.

### **Community Development Services**

CONA provides a relatively high level of CD services that are responsive to the identified needs in the AA, after considering its limited presence and the competition for CD service opportunities in the AA. Three of the five CONA associates in this AA provided 110 hours of CD services to a local nonprofit affordable housing developer. A CONA associate serves as vice chairman of the organization's Board of Directors, and other bank associates provided financial education sessions for LMI clients of the organization.

## State of Illinois

<b>CRA Rating for Illinois:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, limited resources, competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA;
- Limited services are offered at the café; and
- CONA provides a relatively high level of CD services that are responsive to the needs of the bank's AA, after considering the bank's limited presence in the AA.

## Description of Institution's Operations in Illinois

The bank's delineated Chicago AA consists of Cook County within the Chicago-Naperville-Arlington Heights, IL MD, which is part of the larger Chicago-Naperville-Elgin, IL-IN-WI MMA (Chicago MMA). DuPage, Grundy, Kendall, McHenry and Will counties within the Chicago-Naperville-Arlington Heights MD were excluded because CONA does not have a deposit-taking presence in these counties.

Within the state of Illinois, CONA's presence is limited to one café location with two deposit-taking ATMs, located in an upper-income geography. CONA has an additional stand-alone deposit-taking ATM, located in a middle-income geography that is used exclusively by Capital One associates and not accessible to the public. There are no licensed branches within the state of Illinois. CONA considers this a digital market for purposes of distributing banking products and services.

Because CONA does not have a licensed branch in Illinois, there are no deposits reported on the June 30, 2016 FDIC Summary of Deposit Market Share report for the state of Illinois. For analysis purposes, \$2 billion of Internet deposits originated from customers residing in the state of Illinois and were allocated to the state of Illinois. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, there are 124 depository institutions with branch operations in the state of Illinois. JPMorgan Chase ranks first with a 23.31 percent deposit market share, BMO Harris Bank ranks second with a 15 percent deposit market share, and Bank of America ranks third with a 13.12 percent deposit market share. The bank made 4.96 percent of its evaluation period lending in the state of Illinois.

Refer to the community profiles for the state of Illinois in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Illinois**

We based our rating of the state of Illinois on the area that received a full-scope review. We conducted a full-scope review of the Chicago AA, which is the only AA in the state of Illinois. For the lending test, the bank's performance related to home improvement loans was not analyzed or discussed because the limited volume of activity did not provide for a meaningful analysis. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF ILLINOIS**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Illinois is rated outstanding. Based on a full-scope review, the bank's performance in the Chicago AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Illinois section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, limited resources, competition, and the bank's focus on small business lending. Within the AA, 98 percent of the bank's loans were small loans to businesses and two percent were home mortgage loans. Because CONA does not have a licensed branch in the Chicago AA, CONA is not included in the June 30, 2016 FDIC Summary of Deposit Market Share report. For reference, based on the bank's allocated deposits of \$2 billion, CONA would have a deposit market share of 0.70 percent and would rank 16<sup>th</sup> among 125 (including CONA) depository institutions in the AA. In overall home mortgage lending, CONA ranks 115<sup>th</sup> with a 0.10 percent market share. For home

purchase lending, the bank ranks 122<sup>nd</sup> with a 0.09 percent market share. For home improvement lending, the bank ranks 76<sup>th</sup> with a 0.15 percent market share. For home refinance lending, the bank ranks 94<sup>th</sup> with a 0.12 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Chicago AA, there is strong competition for home mortgage lending. There are 766 lenders, many without a depository presence. In contrast, there are 124 depository institutions in the AA. For small loans to businesses, the bank ranks fourth with an 8.88 percent market share. There are 175 lenders in the market. American Express ranks first with a 22.19 percent market share, Chase ranks second with an 18.71 percent market share, and Citigroup ranks third with a 9.52 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Illinois. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Tables 2 and 4 in the state of Illinois 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 overall geographic distribution of home mortgage lending in the Chicago AA is excellent. The geographic distribution of home purchase loans is excellent and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies is equal to the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of Illinois section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Chicago AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is good in the state of Illinois. CONA has excellent borrower distribution of home mortgage loans and good distribution of small loans to businesses.

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

Refer to Tables 8 and 10 in the state of Illinois 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.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is excellent and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers is near to the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The

percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Chicago AA is good, after considering CONA's limited presence and the competition in the AA. Revenue was not reported for approximately 44 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that approximately 99.88 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses exceeds the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Illinois section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. CONA originated 13 loans totaling \$150 million during the evaluation period. This amount represented 75.07 percent of the Tier One Capital allocated to the AA. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided \$4.7 million in NMTC financing to a company to construct a cold-storage facility located in a moderate-income geography. This loan helped meet economic development needs in the AA and was highly complex given the nature of NMTC financing.
- CONA provided a \$23.1 million loan to support a skilled nursing facility located in a moderate-income geography. The majority of its revenue is derived from Medicaid patients. The bank demonstrated flexibility by approving the loan under a HUD program that permits the closing of transactions involving account receivable financing. The facility benefits operators of senior health facilities where Medicaid reimbursements are delayed. CONA also demonstrated leadership, as it was the first lender to provide financing under this program.

- CONA made a loan of \$1.1 million to finance a 30-unit residential rental property in a moderate-income geography. All units are affordable to LMI households, and 21 of the units are occupied by residents who receive HUD Section 8 assistance.

## **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test rating. During the evaluation period, CONA originated or purchased 39 FHA loans totaling \$6.7 million, and 11 VA loans for \$2.6 million.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of Illinois is rated outstanding. Based on a full-scope review, the bank's performance in the Chicago AA is excellent.

Refer to Table 14 in the state of Illinois section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 51 qualified investments totaling \$51.5 million, including LIHTCs totaling \$49.6 million. Additionally, one prior period investment totaling \$3 million remains outstanding and provides continuing benefit to the AA. The combined current and prior period investment dollar volume represents 27.29 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the Chicago AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided a \$4.9 million LIHTC investment to assist in financing the construction of a new 72-unit affordable housing development. All of the units are reserved for LMI families with income at or below 60 percent of the AMI. Several of the units are available for the mobility impaired and/or sensory impaired. In addition to the bank's investments, other sources of funds were obtained from the city and some of the financing was based on blight conditions in the area such as high vacancy rate, lack of maintenance, and deterioration. The project provides affordable rental housing and revitalizes a low-income geography. The development offers several conveniences for its residents, given its close proximity to public transit and other community amenities, including schools.

- CONA provided a LIHTC investment of \$17.3 million to assist in financing a historic rehabilitation of an affordable housing project located in a low-income geography. Fifty-three of the 63 units are reserved for LMI households with income at or below 60 percent of AMI. The building was originally built as a hotel, began to deteriorate in the 1970s, and sat vacant for ten years before it was purchased for transformation into a multi-use site that includes affordable housing and retail space. CONA's investment in the development represents part of a broader effort by the community leaders to redevelop the neighborhood and provide affordable housing for LMI residents.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Illinois is rated high satisfactory. Based on a full-scope review, the bank's performance in the Chicago AA is good.

### **Retail Banking Services**

Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA. CONA's presence is limited to one café location with two deposit-taking ATMs located in an upper-income geography and an additional stand-alone deposit-taking ATM located in a middle-income geography that is used exclusively by Capital One associates and not accessible to the public. No branches were opened or closed during the evaluation period. CONA's ADS, provided through deposit-taking ATMs, online, and mobile banking, are the bank's primary banking channel. There are no deposit-taking ATMs in LMI geographies. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. The bank's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is equivalent to the conservatively estimated population of fully banked LMI consumers. Limited services are offered at the café location. Café hours are 7:00 a.m. to 6:00 p.m. Monday through Friday and 9:00 a.m. to 2:00 p.m. on Saturday.

### **Community Development Services**

CONA provides a relatively high level of CD services, after considering its limited presence and staffing in the AA. Bank employees provided three thousand hours of service to 13 organizations in the AA that meet the definition of CD. This includes one employee who serves in a leadership role as a Board or committee member, providing eight hours of service, for a CD organization. A significant majority of service hours focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Two

thousand CD service hours focused on small business education and technical assistance. The following are examples of CD services:

- A CONA associate serves on the board of a nonprofit organization whose primary mission is educating low-income families to be self-sufficient providers.
- CONA associates devoted two thousand hours to teaching coding skills to students from three local schools that primarily serve students from LMI families.

## State of Louisiana

<b>CRA Rating for Louisiana:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Outstanding</b>

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Overall, retail delivery systems are readily accessible to geographies and individuals of different income levels in the bank's AAs, after considering the additional availability and effectiveness of the bank's ADS: and
- CONA is a leader in providing CD services that are responsive to the needs of the bank's AA.

## Description of Institution's Operations in Louisiana

CONA has delineated the following ten AAs within the state of Louisiana: Alexandria, Baton Rouge, Hammond, Houma, Lafayette, Lake Charles, Monroe, New Orleans, Shreveport, and the Louisiana non-MSA AAs. Please refer to Appendix A for additional details on these ten AAs. The bank excluded the Parishes in the various AAs where the bank does not have a deposit-taking presence.

CONA operates 132 branches and 324 deposit-taking ATMs at 145 locations within the state of Louisiana. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the state of Louisiana totaled \$18.1 billion (excluding allocated Internet deposits), representing 8.71 percent of the bank's total domestic deposits. In terms of market share, CONA ranks first with a 20.18 percent deposit market share in the state of Louisiana. JPMorgan Chase ranks second with a 19.25 percent deposit market share, Whitney Bank ranks third with a 12.20 percent deposit market share, and Regions Bank ranks fourth with a 7.64 percent deposit market share. There are 116 FDIC-insured depository institutions within

the state of Louisiana. The bank made 8.59 percent of its evaluation period loans in the state of Louisiana.

In the New Orleans AA, housing affordability has become difficult as home prices continue to rise and many properties within the AA require flood insurance. According to the Federal Reserve Bank of Dallas, the state of Louisiana slipped into a recession in 2015, following the oil and gas industry bust and sharp decline in prices. The Shreveport AA felt the direct impact of this recession due to its high dependency on mining and extraction of natural gas. For the investment test, we considered the limited opportunities for LIHTCs, especially in the Shreveport AA, and the competition for these investments.

Refer to the community profiles for the state of Louisiana in Appendix C for detailed demographics and other performance context information for the AAs that received full-scope reviews.

## **Scope of Evaluation in Louisiana**

In evaluating the state of Louisiana, the New Orleans AA and the Shreveport AA were selected for full-scope procedures and most heavily weighted in our overall conclusions. The New Orleans AA has 51.23 percent of the deposits, 39.85 percent of the lending, and 32 percent of the branches in the state. During the evaluation period, CONA closed 12 branches within the New Orleans AA. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks first out of 33 institutions with a 26.65 percent deposit market share in the New Orleans AA. The Shreveport AA has 8.29 percent of the deposits, 8.97 percent of the lending, and 10 percent of the branches in the state. During the evaluation period, CONA closed 10 branches within the Shreveport AA. CONA ranks first out of 27 institutions in the Shreveport AA with an 18.57 percent deposit market share, which reflects CONA's significance to this AA. CONA's significance to the Shreveport AA and the number of branch closures were the primary reasons the Shreveport AA was selected for a full-scope review. The New Orleans AA was most heavily weighted in our overall conclusions for the state of Louisiana. The remaining AAs were analyzed using limited-scope procedures. We based our ratings primarily on the results of the areas that received a full-scope review. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOUISIANA**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Louisiana is rated outstanding. Based on full-scope reviews, the bank's performance in both the New Orleans AA and the Shreveport AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Louisiana section of Appendix D for the facts and data used to evaluate the bank's lending activity.

### **New Orleans AA**

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the bank's focus on small business lending. Within the AA, 89 percent of the bank's loans were small loans to businesses and 11 percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks first out of 33 institutions with a 26.65 percent deposit market share in the New Orleans AA. In overall home mortgage lending, CONA ranks 11<sup>th</sup> with a 2.22 percent market share. For home purchase lending, the bank ranks 28<sup>th</sup> with a 0.89 percent market share. For home improvement lending, the bank ranks 1<sup>st</sup> with an 11.80 percent market share. For home refinance lending, the bank ranks 6<sup>th</sup> with a 3.04 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the New Orleans AA, there is strong competition for home mortgage lending. There are 391 lenders, many without a depository presence. In contrast, there are 33 depository institutions in the AA. For small loans to businesses, the bank ranks first with a 23.94 percent market share. There are 98 lenders in the market. American Express ranks second with a 21.52 percent market share and Chase ranks third with a 13.60 percent market share.

### **Shreveport AA**

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the bank's focus on small business lending. Within the AA, 89 percent of the bank's loans were small loans to businesses and 11 percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks first out of 27 institutions with an 18.57 percent deposit market share in the Shreveport AA. In overall home mortgage lending, CONA ranks 24<sup>th</sup> with 1.24 percent market share. For home purchase lending, the bank ranks 59<sup>th</sup> with a 0.32 percent market share. For home improvement lending, the bank ranks third with an 8.78 percent market share. For home refinance lending, the bank ranks 18<sup>th</sup> with a 1.70 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Shreveport AA, there is strong competition for home mortgage lending. There are 240 lenders, many without a depository presence. In contrast, there are 27 depository institutions in the AA. For small loans to businesses, the bank ranks first with a 21.19 percent market share. There are 72 lenders in the market. American Express ranks second with a 16.44 percent market share and Chase ranks third with a 9.05 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Louisiana. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

**New Orleans AA*****Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in the state of Louisiana 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 overall geographic distribution of home mortgage lending in the New Orleans AA is excellent. The geographic distribution of home purchase loans, home improvement loans, and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home improvement loans originated or purchased in low-income geographies is near to the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

***Small Loans to Businesses***

Refer to Table 6 in the state of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the New Orleans AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

## **Shreveport AA**

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

Refer to Tables 2, 3, 4, and 5 in the state of Louisiana 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 overall geographic distribution of home mortgage lending in the Shreveport AA is excellent. The geographic distribution of home purchase loans is adequate, home improvement loans is excellent, and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is adequate. The percentage of home purchase loans originated or purchased in low-income geographies is significantly lower than the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies is lower than the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies is near to the

percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Shreveport AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is good in the state of Louisiana. CONA has excellent borrower distribution of home mortgage loans and good distribution of small loans to businesses.

### **New Orleans AA**

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

Refer to Tables 8, 9, and 10 in the state of Louisiana 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.

In the New Orleans AA, housing affordability is becoming difficult as home prices continue to rise and many properties within the AA require flood insurance. The median single-family housing value for the New Orleans AA is \$192,503. The FFIEC adjusted median family income for 2016 was \$60 thousand. Low-income families earned less than \$30 thousand and moderate-income families earned less than \$48 thousand. In this AA, 15 percent of households live below the poverty level.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is excellent, home improvement loans is good, and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. Although the percentage of home purchase loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA, it is considered good after considering the affordability challenges. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers is near to the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home improvement loans is good. The percentage of home improvement loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to low-income borrowers is somewhat lower than the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of Louisiana section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the New Orleans AA is good. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is somewhat lower than the percentage of small businesses located in the AA. While the bank's performance is somewhat lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 96.37 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses exceeds the aggregate percentage of all reporting lenders.

## **Shreveport AA**

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

Refer to Tables 8, 9, and 10 in the state of Louisiana 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.

According to the Federal Reserve Bank of Dallas, the state of Louisiana slipped into a recession in 2015, following the oil and gas industry bust and sharp decline in prices. This AA felt the direct impact of this recession due to its high dependency on mining and extraction of natural gas. The decline eliminated high paying jobs in the AA. According to the Bureau of Labor Statistics, the non-seasonal adjusted unemployment rate for the Shreveport MSA was 5.7 percent as of December 31, 2016, and the national non-seasonally adjusted unemployment rate was 4.5 percent. The median single-family housing value for the Shreveport AA is \$108,824. The 2016 FFIEC adjusted median family income for the MSA is \$58,300. A low-income family earns less than \$29,150 and a moderate-family earns less than \$46,640. In this AA, 18 percent of households live below the poverty level. Housing affordability is impacted by the high poverty rate within this market.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is excellent, home improvement loans is excellent, and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is lower than the percentage of families defined as such in the AA. Although the percentage of home purchase loans originated or purchased to low-income borrowers is lower than the percentage of families defined as such in the AA, it is considered adequate after considering the affordability challenges. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is near to the

percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of Louisiana section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Shreveport AA is good. Revenue was not reported for approximately 43 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 96.94 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses exceeds the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume and Other Products in the state of Louisiana section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

### **New Orleans AA**

CONA is a leader in making CD loans within the New Orleans AA. CD lending had a positive impact on the lending test conclusion. During the evaluation period, the bank originated 46 CD loans totaling \$235 million that were responsive to AA credit needs. This volume represents 24.61 percent of allocated Tier One Capital. CONA also issued one LC for \$75 thousand in the New Orleans AA that had a CD purpose. The loans were responsive to the identified needs of the AA, including affordable housing and area revitalization. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided an \$18.3 million CD loan to finance the redevelopment of a historic school in New Orleans. The former school has been vacant since Hurricane Katrina in 2005, and all seven buildings were dilapidated and in need of renovation. When renovated, all 79 units will be affordable to LMI artists and their families, and 23 units

will have HUD Section 8 rental assistance. Additional financing included funds from the state and the city and philanthropic grants. The project is included in the city of New Orleans' Choice Neighborhood Initiative, a federal/local partnership to replace outdated public housing and reshape historically disadvantaged neighborhoods. The project was extremely complex due to the adaptive reuse of seven dilapidated historic buildings, the multiple layers of public/private financing, and additional construction risk associated with historic rehabilitation.

- CONA provided a construction loan of \$6.1 million to finance the development of affordable housing on scattered lots in a subdivision in Harvey, Louisiana (Jefferson Parish). All 54 units are detached, single-family rental homes reserved for LMI households. Social services, provided at no cost to residents, include GED training, computer training, career advisement, life skills classes, and job readiness training. The development also helped to revitalize/stabilize a moderate-income geography by contributing to the completion of a troubled subdivision that contained many vacant lots. Some of the vacant lots were occupied by boarded-up dwellings before they were demolished by Jefferson Parish. This transaction was complex as it involved LIHTCs and two other sources of public financing.
- CONA provided a construction loan of \$7.2 million to help finance the development of a 53-unit affordable housing development in New Orleans. Forty-four of the 53 rental units are reserved for families earning at or below 60 percent of AMI. There are 11 permanent supportive housing units set aside for particularly vulnerable groups, including hurricane-displaced persons or individuals with a long-term disability. The development is divided between two buildings, including the adaptive reuse of a historic and vacant church building with six units, and the adjacent new construction of a four-story building with 47 units. The project involved six sources of financing, including loans and subsidies from public entities. In addition to providing affordable housing in a low-income geography, the development houses a nonprofit organization that provides free, creative writing programs for under-resourced students aged 6 to 18.
- CONA provided a line of credit of \$750 thousand to a nonprofit organization that aims to eliminate blight, build high-quality homes, and provide homeownership services for LMI individuals. The construction line of credit was specifically designated to build five single-family homes in New Orleans. All five homes are located in low-income geographies and were sold to LMI families. This project is part of a broader, city-wide initiative to provide sustainable solutions to the affordable housing crisis in New Orleans. After a series of destructive, FEMA-declared disasters hit the Gulf Coast region, the city of New Orleans developed the 2012-2016 HUD Consolidated Plan that focused on revitalizing and rebuilding affected communities. This project is consistent with the city's Plan. To further reduce the cost burden on the LMI families buying the homes, the organization created a need-based subsidy in significant amounts of \$101.5 thousand per borrower to partially cover the mortgage. The project leveraged funds from CONA, in addition to government programs (such as the HOME Investment Partnerships Program and the Neighborhood Stabilization Program) and funds from a national CDFI.

**Shreveport AA**

CONA is leader in making CD loans in the Shreveport AA. CD lending had a positive impact on the lending test conclusion. During the evaluation period, the bank originated 5 CD loans totaling \$26 million that were responsive to AA credit needs. This volume represents 16.65 percent of allocated Tier One Capital. The loans were responsive to the identified needs of the AA. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided a working capital loan of \$19.5 million to a nonprofit hospital located in a low-income geography in Shreveport. The hospital was formed when the state privatized its charity health system and is the only "safety-net" provider in northern Louisiana. More than 65 percent of the hospital's patients are on Medicaid or receive free services.
- CONA provided \$1 million in loans to provide working capital support to a community health center in Shreveport. The borrower is a nonprofit organization that provides accessible, affordable, and comprehensive health care services for LMI families.

**Product Innovation and Flexibility****New Orleans AA**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. During the evaluation period, the bank originated 36 Dream loans totaling \$3.8 million, 85 FHA loans totaling \$11.6 million, eight VA loans totaling \$1.5 million, and 19 SUHILs totaling \$89 thousand. CONA also originated 40 SBA loans totaling \$13.7 million.

**Shreveport AA**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. During the evaluation period, the bank originated one Dream loan totaling \$48 thousand, nine FHA loans totaling \$947 thousand, two VA loans totaling \$526 thousand, and 18 SUHILs totaling \$65 thousand. CONA also originated five SBA loans totaling \$673 thousand.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Alexandria, Baton Rouge, Hammond, Houma, Lafayette, Lake Charles, Monroe, and the Louisiana non-MSA AAs is not inconsistent with the bank's overall outstanding performance under the lending test in the state of Louisiana. Performance in the limited-scope AAs did not significantly affect the lending test rating for the state of Louisiana. Refer to the Tables 1 through 13 in the state of Louisiana section of Appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in the state of Louisiana is rated outstanding. Based on full-scope reviews, the bank's performance in the New Orleans AA is excellent and in the Shreveport AA is excellent.

Refer to Table 14 in the state of Louisiana section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

#### New Orleans AA

CONA has an excellent level of qualified investments, demonstrates leadership often, and makes extensive use of complex investments to support CD initiatives. CONA originated 185 qualified investments totaling \$99.1 million. Current period investments consist of \$94.2 million in LIHTC investments and \$4.9 million in grants. Additionally, 32 prior period investments totaling \$110.5 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 21.96 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and responsiveness to the needs of the area:

- CONA provided a \$19 million LIHTC investment to assist in financing the replacement of older and hurricane-damaged public housing owned by a Housing Authority. The funds will be used to develop 155 affordable housing units including 99 units for households earning 30 percent or less of AMI and 46 units that will receive HUD Section 8 assistance. The remaining ten units were reserved by the Housing Authority for residents displaced when the public housing project was demolished and will be set aside for those earning 60 to 80 percent of AMI.
- CONA provided a LIHTC investment of \$10.1 million to assist in financing a historic rehabilitation and new construction of a 35-unit affordable housing development. All units are reserved for senior tenants with income at or below 60 percent of AMI. The project benefits from a HUD Section 8 subsidy covering 32 units and a rental assistance subsidy from a Housing Authority that covers the remaining units. This residential project is part of a larger redevelopment effort by the city to transform a distressed neighborhood.

- CONA provided \$50 thousand in grant funding for the New Orleans Construction Contractors' College.
- During the evaluation period, CONA provided \$90 thousand in grant funding for the New Orleans *Getting Down to Business* program.

### **Shreveport AA**

CONA has an excellent level of qualified investments and makes significant use of complex investments to support CD initiatives. CONA originated 63 qualified investments totaling \$2.7 million, including one LIHTC totaling \$2.1 million. Additionally, seven prior period investments totaling \$18.7 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 13.89 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and responsiveness to the needs of the area:

- CONA provided a \$2.1 million LIHTC to assist in the financing the development of a new 101-unit affordable housing property located in a moderate-income geography. All of the units are reserved for LMI families with incomes at or below 60 percent of AMI and benefit from a HUD Section 8 subsidy. The complexity of the financing structure was further increased by funds awarded from a state Housing Corporation.
- CONA provided grants totaling \$108 thousand to support the ongoing operation of two different initiatives at a local university that served students primarily from LMI families. One of the initiatives is to provide access to technology for disadvantaged youth, strengthen learning experiences of students, and promote computer and digital literacy, as well as academic and vocational readiness. The second initiative is for a business incubator that offers small businesses affordable space, which includes Internet/phone service, access to office equipment, clerical support, and on-site technical support. A CONA branch is located in the building that houses the incubator.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Baton Rouge, Hammond, Houma, Lake Charles, Monroe and Louisiana non-MSA AAs is not inconsistent with the bank's overall outstanding performance under the investment test in the state of Louisiana. The bank's performance under the investment test in the Alexandria and Lafayette AAs is weaker than the bank's overall outstanding performance and is considered good. The weaker performance is primarily due to a relatively lower amount of current period investments relative to the bank's operations in those AAs. Performance in the limited-scope

AAs did not significantly affect the investment test rating for the state of Louisiana. Refer to the Table 14 in the state of Louisiana section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Louisiana is rated outstanding. Based on full-scope reviews, the bank's performance in the New Orleans AA is excellent and in the Shreveport AA is excellent.

### **Retail Banking Services**

Refer to Table 15 in the state of Louisiana section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

#### **New Orleans AA**

Retail delivery systems are readily accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional access provided by MUI branches that are in close proximity to LMI geographies and/or are being used by customers residing in LMI geographies and the availability and effectiveness of the bank's ADS. There are 42 branches within the New Orleans AA. The percentage of the bank's branches located in low-income geographies is somewhat lower than the percentage of the population residing in those geographies. The percentage of the bank's branches located in moderate-income geographies exceeds the percentage of the population residing in those geographies. CONA has 14 branches in MUI geographies that border LMI geographies or are adjacent and within one-half mile in proximity to LMI geographies. In addition, CONA provided internal data demonstrating that approximately 40 percent of MUI branches have a higher percentage of usage from customers residing in LMI geographies than the percentage of the population residing in those geographies.

CONA's ADS, including deposit-taking ATMs, online, and mobile banking, were effective and provide customers with additional availability and access to retail banking services. The distribution of deposit-taking ATMs in low-income geographies is lower than the percentage of the population residing within those geographies. The distribution of deposit-taking ATMs in moderate-income geographies exceeds the percentage of the population residing within those geographies. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in

MUI geographies. The proportion of the bank's LMI customers using ADS is significantly greater than the conservatively estimated population of fully banked LMI consumers.

CONA's record of opening and closing branches has not adversely affected the accessibility of its delivery systems in the AA, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, the bank opened one branch in a moderate-income geography. The bank closed twelve branches, of which three were in moderate-income geographies, four in middle-income geographies, and five in upper-income geographies. The branch closures did not adversely affect the branch distribution in LMI geographies within the AA.

Branch hours and services do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and individuals. Branch hours are generally 9:00 a.m. to 4:00 p.m. Monday through Thursday and 9:00 a.m. to either 5:00 or 6:00 p.m. Friday. Saturday lobby hours, generally 9 a.m. to 12 p.m., are offered at half of the branches.

### **Shreveport AA**

Retail delivery systems are readily accessible to geographies and individuals of different income levels in the bank's AA. There are 13 branches within the Shreveport AA. The percentage of the bank's branches located in low-income geographies exceeds the percentage of the population residing in those geographies. The percentage of the bank's branches located in moderate-income geographies exceeds the percentage of the population residing in those geographies.

CONA's ADS, including deposit-taking ATMs, online, and mobile banking, were effective and provide customers with additional availability and access to retail banking services. The distribution of deposit-taking ATMs is not inconsistent with the branch distribution. CONA provided internal data demonstrating a slight decline in new checking accounts, but growth in new savings accounts. There was also growth in retained accounts for customers residing in LMI geographies and in MUI geographies. CONA's internal data shows ADS usage by customers residing in LMI geographies is near to the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is significantly greater than the conservatively estimated population of fully banked LMI consumers.

CONA's record of opening and closing branches has not adversely affected the accessibility of its delivery systems in the AA, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, CONA did not open any branches and closed ten branches, one of which was located in a low-income geography, two in moderate-income geographies, five in middle-income geographies, and two in upper-income geographies. The branch closures did not adversely affect the branch distribution in LMI geographies within the AA.

Branch hours and services do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and individuals. Branch hours are generally 9:00 a.m. to 4:00 p.m. Monday through Thursday and 9:00 a.m. to 5:00 p.m. Friday. CONA has four branches with Saturday lobby hours from 9:00 a.m. to 1:00 p.m.; two are located in moderate-income geographies and two are located in MUI geographies.

## **Community Development Services**

### **New Orleans AA**

CONA is a leader in providing CD services that are responsive to the identified needs in the AA. Bank employees provided four thousand hours of service to 45 organizations in the AA that meet the definition of CD. This includes 10 employees who serve in leadership roles as Board or committee members for 15 of the organizations. A significant majority of the CD services, three thousand hours, focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Other CD services were to organizations that focus on community services or affordable housing targeted to LMI individuals, economic development, and revitalization/stabilization of LMI communities. The following are examples of CD services:

- A CONA associate serves on the Board of an organization with a mission of empowering women to achieve economic independence by providing a network of support, professional attire, and the development tools to help women thrive in work and life.
- A CONA associate serves on the Board of an organization with a mission of assisting senior citizens. The organization is responsible for planning, organizing, and offering a comprehensive set of programs and services for improving the quality of life for LMI senior citizens.
- During the evaluation period, 39 New Orleans area small business owners graduated from the Getting Down to Business program and received \$77 thousand in savings matches from CONA.
- During the evaluation period, the New Orleans Straight Talk program presented 48 workshops that were attended by almost two thousand small business owners.

### **Shreveport AA**

CONA provides a relatively high level of CD services that are responsive to the identified needs in the AA. Bank employees provided approximately one thousand hours of service to 27 organizations in the AA that meet the definition of CD. This includes 63 Board service hours for five CD organizations. Almost all of the CD services focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Other CD services were to organizations that focus on community services or affordable housing targeted to LMI individuals and economic development. The following is an example of a CD service:

- A CONA associate provides financial education to LMI students through an organization of which the primary mission is to improve the academic achievement of students.

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

Based on limited-scope reviews, the bank's performance under the service test in the Hammond AA, Lake Charles AA, and Louisiana non-MSA AA is not inconsistent with the bank's overall outstanding performance under the service test in the state of Louisiana. In the Alexandria AA, Baton Rouge AA, Houma AA, Lafayette AA and Monroe AA, the bank's performance is weaker than the bank's overall performance in the state of Louisiana. The bank's performance is weaker in these AAs is due to the lower percentage of branches in LMI geographies in the AA. Performance in the limited-scope AAs did not significantly affect the service test rating for the state of Louisiana. Refer to Table 15 in the state of Louisiana section of Appendix D for the facts and data that support these conclusions.

## State of Maryland

<b>CRA Rating for Maryland<sup>5</sup>:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the competition and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA;
- CONA's ADS were effective in providing customers with additional availability and access to retail banking services; and
- CONA provides a relatively high level of CD services that are responsive to the needs of the bank's AA.

## Description of Institution's Operations in Maryland

CONA has delineated the following four AAs within the state of Maryland: Baltimore, Hagerstown, Lexington Park, and the Maryland non-MSA AA. The Baltimore AA includes the city of Baltimore and the counties of Anne Arundel, Baltimore, Carroll and Howard. It also included Queen Anne's County until October 2015, when the bank closed its only branch in the county and exited this market. Harford County is excluded because CONA does not have a deposit-taking presence there.

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<sup>5</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

During the evaluation period, CONA made a business decisions to close its two branches in the Hagerstown AA, one branch in the Lexington Park AA, and one branch in the Maryland non-MSA AA and exit these markets. The impact of CONA's exit in these counties and markets was minimal. CONA had a limited presence and market share in these areas, and the areas were being served by several other financial institutions. Please refer to Appendix A for additional details on these AA.

At the end of the evaluation period, CONA operates 17 branches and 41 deposit-taking ATMs at 18 locations in the state of Maryland. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the state of Maryland totaled \$1.2 billion (excluding allocated Internet deposits), representing 0.59 percent of the bank's total domestic deposits. In terms of deposit market share, CONA ranks eighth out of 64 institutions with a 1.73 percent deposit market share in the state of Maryland. Bank of America ranks first with a 26.61 percent deposit market share, Manufacturers and Traders Trust Company ranks second with a 21.83 percent deposit market share, and PNC Bank ranks third with a 10.80 percent deposit market share. The bank made 3.39 percent of its evaluation period lending in the state of Maryland.

Refer to the community profiles for the state of Maryland in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Maryland**

In evaluating the state of Maryland, the Baltimore AA was selected for full-scope procedures and most heavily weighted in our overall conclusions. The Baltimore AA was the only AA in the state of Maryland at the end of the evaluation period, and has the substantial majority of the bank's deposits (95.42 percent) and lending (93.49 percent) within the state of Maryland. The remaining AAs were analyzed using limited-scope procedures. For the lending test, the bank's performance related to home purchase, home improvement and home refinance was not analyzed for the limited-scope AAs because the limited volume of activity did not allow for a meaningful analysis. We based our ratings primarily on the results of the area that received a full-scope review. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MARYLAND**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Maryland is rated outstanding. Based on a full-scope review, the bank's performance in the Baltimore AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Maryland section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the competition and the bank's focus on small business lending. Within the AA, 95 percent of the bank's loans were small loans to businesses and five percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks seventh with a 1.79 percent deposit market share. In overall home mortgage lending, CONA ranks 62<sup>nd</sup> with a 0.35 percent market share. For home purchase lending, the bank ranks 73<sup>rd</sup> with a 0.23 percent market share. For home improvement lending, the bank ranks 18<sup>th</sup> with a 1.04 percent market share. For home refinance lending, the bank ranks 51<sup>st</sup> with a 0.41 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Baltimore AA, there is strong competition for home mortgage lending. There are 596 lenders, many without a depository presence. In contrast, there are 51 depository institutions in the AA. For small loans to businesses, the bank ranks second with a 12.29 percent market share. There are 119 lenders in the market. The top small business lender, American Express, has a 21.85 percent market share and is a nationwide lender that has a significant small business credit card portfolio.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Maryland. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Tables 2, 3 and 4 in the state of Maryland 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 overall geographic distribution of home mortgage lending in the Baltimore AA is excellent. The geographic distribution of home purchase loans is excellent, home improvement loans is excellent, and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home improvement loans originated or purchased in moderate-income geographies is near to the percentage of owner-occupied units in moderate-income geographies. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased in moderate-income geographies is near to the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of Maryland section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Baltimore AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is good in the state of Maryland. CONA has excellent borrower distribution of home mortgage loans and good distribution of small loans to businesses.

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

Refer to Tables 8, 9, and 10 in the state of Maryland 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.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is excellent, home improvement loans is good, and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers is near to the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home improvement loans is good. The percentage of home improvement loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to low-income borrowers is somewhat lower than the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of Maryland section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Baltimore AA is good, after considering CONA's limited presence and the competition in the AA. Revenue was not reported for approximately 41 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 98.94 percent of the loan

originations are for \$100 thousand or less. The percentage of loans to small businesses is equal to the aggregate percentage of all reporting lenders.

## Community Development Lending

Refer to Table 1 Lending Volume and Other Products in the state of Maryland section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is leader in making CD loans in the Baltimore AA. CD lending had a positive impact on the lending test conclusion. CONA made 48 CD loans totaling \$514 million in the AA. This volume represented an extraordinary 198.78 percent of the Tier One Capital allocated to the AA. CONA also issued one CD lease for \$18.7 million in the Baltimore AA. CONA reflected complexity, innovativeness and responsiveness through CD lending. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided construction financing in the amount of \$9.6 million to create 61 age-restricted apartments for LMI seniors in Baltimore. This development adds 61 units of affordable housing with eight units affordable to those earning 30 percent or less, 21 units affordable to those earning 40 percent or less, and 32 units affordable to those earning 50 percent or less of MFI. Six units are reserved for disabled seniors. During the construction phase, the building was destroyed in a fire, resulting from the April 2015 rioting in the area. CONA led efforts to coordinate with the insurance company and municipal and state governments to begin rebuilding, demonstrating excellent leadership. Rebuilding started within 30 days and the project was completed only six weeks after the originally scheduled completion date. CONA provided flexibility by releasing \$880 thousand in work-in-progress funding to pay workers for work completed prior to the fire and to provide the developer with reserves.
- CONA provided a loan of \$13 million to help finance the development of a new affordable housing property in a low-income geography in Halethorpe, Maryland. The property, co-developed by a nonprofit organization, has 48 units, all of which are reserved for LMI households. Five of the units are set aside for disabled or formerly homeless individuals. The transaction involved multiple sources of funding, including LIHTCs, a loan from the Baltimore County government, and a loan from the Federal Home Loan Bank of Atlanta. The development includes an innovative and flexible "lease-to-own" component allowing tenants to purchase units after the expiration of the 15-year LIHTC compliance period. Resident services include youth activities and education, financial literacy, workforce development, and disability services.
- CONA provided a loan of \$13.3 million to help finance the substantial renovation and upgrade of a distressed apartment complex for LMI seniors (age 62 and older) in Baltimore. The renovated property has 266 units, all reserved for LMI households, and

57 are HUD-subsidized units. This complex transaction involved multiple additional sources of funding, including loans from HUD and the Maryland Department of Housing and Community Development. The rehabilitation of this property is responsive to the need for quality affordable housing for LMI seniors.

### **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test rating. During the evaluation period, the bank originated 16 CHB loans totaling \$2.6 million, 56 FHA loans totaling \$11.3 million, six VA loans totaling \$1.6 million, 21 SBA loans totaling \$9.6 million, and 18 SUHIL loans totaling \$64 thousand.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Hagerstown AA is not inconsistent with the bank's overall outstanding performance under the lending test in the state of Maryland. In the Lexington Park AA and the Maryland non-MSA AA, the bank's performance is weaker than the bank's overall performance in the state of Maryland and is considered good. The weaker performance is due to no CD lending in these AAs. Performance in the limited-scope AAs did not significantly affect the lending test rating for the state of Maryland. Refer to the Tables 1 through 13 in the state of Maryland section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of Maryland is rated outstanding. Based on a full-scope review, the bank's performance in the Baltimore AA is excellent.

Refer to Table 14 in the state of Maryland section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 60 qualified investments totaling \$110.5 million. Additionally, 17 prior period investments totaling \$72.6 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 70.89 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies.

The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided a \$17.7 million LIHTC investment to assist in financing the construction of a 127-unit affordable housing development. All units are reserved for seniors earning at or below 60 percent of AMI. There are thirteen units that are ADA accessible and set aside for persons with disabilities. In addition to offering a variety of building amenities, the property offers tenant services provided by a nonprofit organization. Tenant services include literacy programs, health education and counseling, nutritional education programs, and computer training. Tenants are also connected to comprehensive services such as healthcare and financial services through other local nonprofit partners. This was a complex, multi-layered financial structure that involved funds from HUD, the state Department of Housing and Community Development, and a loan from the County.
- CONA provided a LIHTC totaling \$17 million to support construction financing in connection with an 80-unit residential development located in a moderate-income geography. All units are reserved for LMI households. Twenty of the units receive HUD Section 8 assistance and are made available to disabled individuals. The development also offers on-site social services to the tenants including General Education Development (GED) and other adult education, health and nutritional education and screenings, and assistance with substance abuse problems. Social services for the disabled residents will also be available on site. The development is part of a mixed-use community that is expected to revitalize this moderate-income neighborhood. This transaction included financing from the state, city and the Federal Home Loan Bank of Atlanta.
- CONA provided a \$9 million LIHTC to help finance the construction of a 61-unit affordable housing development. All units are reserved for tenants earning at or below 60 percent of AMI, including 40 units at or below 30 percent of AMI. Nine units are accessible for persons with disabilities. The project's financial structure is complex, involving a HUD Section 8 subsidy as well as state and local government financing. CONA offered flexible terms for the financing of this development. This was the third and final phase of the redevelopment of two former dilapidated public housing developments. CONA invested in the first phase as well. In total, this multi-phase development provides 174 new affordable rental units, a park and a community building that offers GED programs and computer training for adults and a Head Start preschool for children. This project is part of the city's broader revitalization strategy.

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

Based on a limited-scope review, the bank's performance under the investment test in the Maryland non-MSA AA is not inconsistent with the bank's overall outstanding performance under the investment test in the state of Maryland. In the Hagerstown AA and the Lexington Park AA, the bank's performance is weaker than the bank's overall outstanding performance

under the investment test in the state of Maryland. The weaker performance is due to a lower level of investments relative to the bank's operations in these AAs. Performance in the limited-scope AAs did not significantly affect the investment test rating for the state of Maryland. Refer to the Table 14 in the state of Maryland section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Maryland is rated high satisfactory. Based on a full-scope review, the bank's performance in the Baltimore AA is good.

### **Retail Banking Services**

Refer to Table 15 in the state of Maryland section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA. There are 17 branches within the Baltimore AA. The percentage of the bank's branches located in low-income geographies is somewhat lower than the percentage of the population residing in those geographies. The percentage of the bank's branches located in moderate-income geographies exceeds the percentage of the population residing in those geographies.

CONA's ADS, including deposit-taking ATMs, online, and mobile banking, were effective and provide customers with additional availability and access to retail banking services. The distribution of deposit-taking ATMs in low-income geographies is lower than the percentage of the population residing within those geographies. The distribution of deposit-taking ATMs in moderate-income geographies exceeds the percentage of the population residing within those geographies. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is equivalent to the conservatively estimated population of fully banked LMI consumers.

CONA's record of opening and closing branches has not adversely affected the accessibility of its delivery systems in the AA, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, the bank did not open any branches. The bank closed eight branches, of which, five were located in middle-income geographies and three in upper-income geographies.

Branch hours and services do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and individuals. Branch hours are generally 9:00 a.m. to 5 p.m. Monday through Friday. Approximately half the branches are open Saturday from 9:00 a.m. to 12:00 p.m., including two branches in LMI geographies.

### **Community Development Services**

CONA provides a relatively high level of CD services that are responsive to the identified needs in the AA. Bank employees provided two thousand hours of service to 15 organizations in the AA that meet the definition of CD. This includes three employees who serve in leadership roles as Board or committee members for three of the organizations. A significant majority of the CD services focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Other CD services were to organizations that focus on affordable housing targeted to LMI individuals and economic development. The following is an example:

- A CONA associate serves as a Board member for a nonprofit organization whose primary mission is to assist the underserved non-English speaking population and promote self-sufficiency of the Hispanic immigrant population. In addition to the associate serving on the Board, other CONA associates volunteered their time at the organization and provided financial education.
- A CONA associate serves as a Board member of a nonprofit organization that provides social, educational, and economic support to LMI immigrants in Anne Arundel County.
- A CONA associate serves as a Board member of a local affordable housing organization. The organization advocates for resources for affordable rental housing development through sustained or increased funding for established programs. It also advocates on its own, and with partners, to promote legislative initiatives that support the development and operation of affordable rental housing communities in Maryland.

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

The bank's performance under the service test in the Hagerstown, Lexington Park, and Maryland non-MSA AAs is not rated. The bank no longer maintains a physical presence in these AAs. The bank closed its branches in these AAs and does not maintain any deposit-taking ATMs within the AAs. Retail banking services remain accessible via online and mobile banking. The impact of CONA's exit to these markets was minimal. The bank had a limited presence and market share in these markets and these markets are being served by several other financial institutions.

## Commonwealth of Massachusetts

**CRA Rating for Massachusetts: 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:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA;
- Limited services are offered at the cafés; and
- CONA provides an adequate level of CD services.

## Description of Institution's Operations in Massachusetts

CONA has delineated the following five AAs within the state of Massachusetts: Boston-Cambridge, Pittsfield, Providence, Springfield and Worcester. The bank excluded counties in the various AAs because CONA does not have a deposit-taking presence in those counties. Please refer to Appendix A for details on these AAs.

CONA has five cafés and 51 deposit-taking ATMs at 47 locations in the state of Massachusetts. All five cafés are located in the Boston-Cambridge AA and opened during the period of February 2014 through December 2015. The Pittsfield, Providence, Springfield and Worcester AAs were added during the second half of the evaluation period when CONA installed deposit-taking ATMs in Target stores. There are no licensed branches within the state of Massachusetts. CONA considers this a digital market for purposes of distributing banking products and services.

Because CONA does not have a licensed branch in Massachusetts, there are no deposits reported on the June 30, 2016 FDIC Summary of Deposit Market Share report for the state of Massachusetts. For analysis purposes, \$5.2 billion of Internet deposits originated from customers residing in the state of Massachusetts and were allocated to the state of Massachusetts. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, there are 164 depository institutions with branch operations in the state of Massachusetts. State Street Bank and Trust Company ranks first with a 26.98 percent deposit market share, Bank of America ranks second with a 19.37 percent deposit market share, and Citizens Bank ranks third with an 8.86 percent deposit market share. The bank made 3.43 percent of its evaluation period lending in the state of Massachusetts.

In evaluating the Boston-Cambridge AA, we considered the significant affordability barriers that exist in this market as well as the other economic conditions discussed in the community profile for the Boston-Cambridge AA. Boston is a HUD-designated high-cost area and homes are significantly more expensive in this AA than some of CONA's other full-scope AAs. The local Housing Authority has extensive waiting lists, the waiting time for existing affordable rental units is long, and there are a large number of applicants for recently developed affordable housing units.

Refer to the community profiles for the state of Massachusetts in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Massachusetts**

In evaluating the state of Massachusetts, the Boston-Cambridge AA was selected for full-scope procedures and most heavily weighted in our overall conclusions. The Boston-Cambridge AA has 86.17 percent of deposits and 74.99 percent of lending within the state of Massachusetts. For the Boston-Cambridge AA, the bank's performance related to home improvement loans was not analyzed or discussed because the limited volume of activity did not provide for a meaningful analysis. The remaining four AAs were only in effect since October 2015 and CONA has a limited presence in these AAs. These four AAs were analyzed using limited-scope procedures. For the four limited-scope AAs, the bank's performance related to home purchase, home improvement, and home refinance loans was not analyzed because the limited volume of activity did not provide for a meaningful analysis. We based our ratings primarily on the results of the area that received a full-scope review. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Massachusetts is rated outstanding. Based on a full-scope review, the bank's performance in the Boston-Cambridge AA is excellent.

### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Massachusetts section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, limited resources, competition, and the bank's focus on small business lending. Within the AA, 98 percent of the bank's loans were small loans to businesses and two percent were home mortgage loans. CONA has a limited presence in the Boston-Cambridge AA. Because CONA does not have a licensed branch in the Boston-Cambridge AA, CONA is not included in the June 30, 2016 FDIC Summary of Deposit Market Share report. For reference, based on the bank's allocated deposits of \$4.4 billion, CONA would have a deposit market share of 1.45 percent and would rank tenth among 128 (including CONA) depository institutions in the AA. In overall home mortgage lending, CONA ranks 181<sup>st</sup> with a 0.08 percent market share. For home purchase lending, the bank ranks 257<sup>th</sup> with a 0.03 percent market share. For home improvement lending, the bank ranks 140<sup>th</sup> with a 0.13 percent market share. For home refinance lending, the bank ranks 122<sup>nd</sup> with a 0.12 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Boston-Cambridge AA, there is strong competition for home mortgage lending. There are 626 lenders, many without a depository presence. In contrast, there are 127 depository institutions in the AA. For small loans to businesses, the bank ranks third with a 9.33 percent market share. There are 170 lenders in the market. The top small business lender, American Express, has a 28.82 percent market share and is a nationwide lender that has a significant small business credit card portfolio. Bank of America ranks second with an 11.92 market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Massachusetts. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Tables 2 and 4 in the state of Massachusetts 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 overall geographic distribution of home mortgage lending in the Boston-Cambridge AA is excellent. The geographic distribution of home purchase loans is excellent and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies equals the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies is somewhat lower than the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of Massachusetts section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Boston-Cambridge AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is good in the state of Massachusetts. CONA has excellent borrower distribution of home mortgage loans and good distribution of small loans to businesses.

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

Refer to Tables 8 and 10 in the state of Massachusetts 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.

We considered the significant affordability barriers that exist in this high-cost area in our evaluation. Boston is a HUD-designated high-cost area and homes are significantly more expensive in this AA than some of CONA's other full-scope AAs. Low-income families face extreme difficulty in acquiring and maintaining sufficient resources to make homeownership sustainable. Additionally, the funds needed for a down payment and closing costs make homeownership prohibitive for many LMI families. The median single-family housing value for the Boston-Cambridge AA is \$419,110. The 2016 FFIEC updated median family income for the Boston-Cambridge AA is \$94,896. Low-income families earn less than \$47,448 and moderate-income families earn less than \$75,917. In this AA, 11 percent of households live below the poverty level.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is good and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is good, after considering the affordability challenges. The percentage of home purchase loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers is lower than the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent, after considering the affordability challenges. The percentage of home refinance loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of Massachusetts section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Boston-Cambridge AA is good, after considering CONA's limited presence and the competition in the AA. Revenue was not reported for approximately 39 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and

purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 99.96 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses exceeds the aggregate percentage of all reporting lenders.

## **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Massachusetts section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is leader in making CD loans. CD lending had a positive impact on the lending test conclusion. CONA originated 21 loans totaling \$169 million, representing 38.18 percent of the Tier One Capital allocated to the MSA. A majority of the lending was to finance affordable housing for LMI households. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA originated a \$1 million loan through its CDC to provide working capital support for a CDFI whose mission is to build affordable homes and vibrant communities for LMI populations. The organization operates through partnerships with member organizations, the business sector, government, and philanthropic institutions.
- CONA made four loans totaling \$1.1 million to a company that provides pediatric home care services for medically fragile children. The loans helped finance the company's acquisition of operations in Boston and Cambridge. According to its payer mix data, 80 percent of the company's patients are on Medicaid. These loans address the important community need of access to healthcare services for LMI individuals.
- CONA made a \$14.3 million NMTC loan to renovate a historic health center in Roxbury, Massachusetts. The center is a nonprofit, community-based organization that provides an integrated continuum of health and human services to some of Boston's LMI neighborhoods. CONA's NMTC loan and a \$5 million grant from the state provided the funding to renovate the center's detox center and increase patient capacity.

## **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test rating. During the evaluation period, CONA originated four CHB loans totaling \$1.3 million in the MSA. It also originated or purchased 16 FHA loans totaling \$4.1 million, and six VA loans totaling \$1.8 million.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Pittsfield, Providence, Springfield, and Worcester AAs is weaker than the bank's overall outstanding performance in the state of Massachusetts and is considered good. The weaker performance is due to a lower level of CD loans relative to the bank's operations in these AAs. Performance in the limited-scope AAs did not significantly affect the lending test rating for the state of Massachusetts. Refer to the Tables 1 through 13 in the state of Massachusetts section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of Massachusetts is rated outstanding. Based on a full-scope review, the bank's performance in the Boston-Cambridge AA is excellent.

Refer to Table 14 in the state of Massachusetts section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 71 qualified investments totaling \$61.5 million. Additionally, four prior period investments totaling \$41 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 23.20 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, and the bank's responsiveness to the needs of the area:

- CONA provided a \$9.7 million proprietary LIHTC investment to support the construction of a new four-story building containing 39 rental housing units that are reserved for LMI households. Eight units are supported by HUD Section 8 assistance, including four designated homeless units. An additional eight units are supported by state assistance. The development is part of a redevelopment initiative that is one of the nation's largest transit-oriented neighborhood revitalization efforts and will help revitalize a low-income area. This initiative will result in a mixed-use, mixed-income development including housing, retail space, recreational facilities, a youth and family center, and open space. The bank's investment included funds for the salary of a Residential Services Coordinator who will be responsible for providing wellness, education, and other supportive services to residents in coordination with community-based provider agencies.

- CONA has LIHTC investments totaling \$15.3 million in two multifamily apartment developments that will provide a total of 90 rental units. All units are designated as affordable housing for LMI families. The bank's investments address the unmet demand for affordable housing in the community. Five of the units are designated specifically for low-income residents, and an additional 12 units are designated for clients through the Department of Mental Health.
- CONA made a proprietary LIHTC investment of \$12.2 million to finance the construction of a new 67-unit multifamily apartment building, of which 66 units are for LMI households. Seven of the units will be set aside for formerly homeless individual, and four units will be handicap accessible. This project provided numerous construction related jobs over a span of 14 months, the development will bring a vacant site back to productive use, and it addressed the critical affordable housing needs of the LMI households, as evidenced by the extensive waiting lists for all subsidized rental options in the area.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Providence, Springfield and Worcester AAs is not inconsistent with the bank's overall outstanding performance under the investment test in the state of Massachusetts. In the Pittsfield AA, the bank's performance is weaker than the bank's overall performance in the state and is considered good. The weaker performance is due to a lower level of investments relative to the bank's operations in this AA. Performance in the limited-scope AAs did not significantly affect the investment test rating for the state of Massachusetts. Refer to the Table 14 in the state of Massachusetts section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Massachusetts is rated high satisfactory. Based on a full-scope review, the bank's performance in the Boston-Cambridge AA is good.

### **Retail Banking Services**

Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA. CONA has five café locations with nine deposit-taking ATMs located at the café locations. One café is located within a low-income geography. The remaining four cafes are located within MUI geographies. In addition to the deposit-taking ATMs at the café locations, CONA has 27 standalone deposit-taking ATMs at separate locations throughout the AA. No branches were opened or closed during the evaluation period.

CONA's ADS, provided through deposit-taking ATMs, online, and mobile banking, are the bank's primary banking channel. The distribution of deposit-taking ATMs in low-income geographies is somewhat lower than the percentage of the population residing within those geographies. The distribution of deposit-taking ATMs in moderate-income geographies is near to the percentage of the population residing within those geographies. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is greater than the conservatively estimated population of fully banked LMI consumers.

Limited services are offered at the café locations. Café hours do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies and individuals. All café locations, with the exception of the Downtown Crossing café, are open seven days a week. The Downtown Crossing café is open 7:00 a.m. to 6:00 p.m. Monday through Friday and 9:00 a.m. to 6:00 p.m. on Saturday. The Ink Block café, located in a low-income geography, is open seven days a week from 7:00 a.m. to 7:00 p.m. Monday through Friday and 8:00 a.m. to 6:00 p.m. Saturday and Sunday. The Back Bay café is open 7:00 a.m. to 9:00 p.m. Monday through Saturday and 7:00 a.m. to 8:00 p.m. on Sunday. The Coolidge Corner café is open 7:00 a.m. to 8:00 p.m. Monday through Saturday and 7:00 a.m. to 7:00 p.m. on Sunday. The Harvard Square café is open 7:00 a.m. to 11:00 p.m. Monday through Saturday and 8:00 a.m. to 9:00 p.m. on Sunday.

## **Community Development Services**

CONA provides an adequate level of CD services that are responsive to the identified needs in the AA, after considering the bank's limited presence in the AA. There were no Board services provided. Bank employees provided one thousand hours of service to 10 organizations in the AA that meet the definition of CD. The following is an example of a responsive CD service:

- CONA associates provided CD services to support a nonprofit organization that delivers several programs and services to help LMI residents of Boston stabilize and improve their lives and move out of poverty.

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

Based on limited-scope reviews, the bank's performance under the service test in the Pittsfield, Providence, Springfield, and Worcester AAs is weaker than the bank's overall high satisfactory performance under the service test in the state of Massachusetts. The weaker performance in these AAs is based on the bank's only facilities in these AAs are deposit-taking ATMs located in Target stores and one other retail store location. ADS usage is not evaluated for the limited-scope AAs. Performance in the limited-scope AAs did not significantly affect the service test rating for the state of Massachusetts.

## State of Minnesota

<b>CRA Rating for Minnesota:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branch, competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of small loans to businesses;
- An adequate borrower distribution of lending, with adequate distribution of small loans to businesses of different sizes;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA;
- Limited services are offered at the café; and
- CONA is a leader in providing CD services that are responsive to the needs of the bank's AA.

## Description of Institution's Operations in Minnesota

CONA delineated Stearns and Benton counties in the St. Cloud, MN MSA and Sherburne County in the Minneapolis-St. Paul-Bloomington, MN-WI MSA as its AA. These MSAs are part of the Minneapolis-St. Paul MN-WI Combined Statistical Area (Minneapolis CSA). Because the geographic characteristics of the three counties are similar, the location of the café is central to all three counties, and all three counties are within the Minneapolis CSA, the three county area is being considered as a single AA. The bank excluded all the counties, except Sherburne County, in the Minneapolis-St. Paul-Bloomington, MN-WI MSA because CONA does not have a deposit-taking presence in the Minneapolis-St. Paul-Bloomington, MN-WI MSA.

Within the state of Minnesota, CONA's presence is limited to one café, located at a Capital One operations center, and two deposit-taking ATMs. There are no licensed branches within

the state of Minnesota. CONA considers this a digital market for purposes of distributing banking products and services.

Because CONA does not have a licensed branch in Minnesota, there are no deposits reported on the June 30, 2016 FDIC Summary of Deposit Market Share report for the state of Minnesota. For analysis purposes, \$161 million of Internet deposits originated from customers residing in the state of Minnesota and were allocated to the state of Minnesota. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, there are 39 institutions with branch operations in the state of Minnesota. Stearns Bank ranks first with a 19.08 percent deposit market share, Wells Fargo ranks second with a 10.62 percent deposit market share, and Bremer Bank ranks third with a 10.21 percent deposit market share. The bank made 0.41 percent of its evaluation period lending in the state of Minnesota.

Refer to the community profiles for the state of Minnesota in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Minnesota**

We based our rating of the state of Minnesota on the area that received a full-scope review. We conducted a full-scope review of the St. Cloud AA, which is the only AA in the state of Minnesota. For the lending test, the bank's performance related to home purchase, home improvement and home refinance loans was not analyzed or discussed because the limited volume of activity did not provide for a meaningful analysis. There are no low-income geographies in the St. Cloud AA; therefore, the geographic distribution for low-income geographies was not performed for home mortgage or small loans to businesses. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Minnesota is rated high satisfactory. Based on a full-scope review, the bank's performance in the St. Cloud AA is good.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Minnesota section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence and no licensed branches, limited resources, and the bank's

focus on small business lending. Within the AA, 98 percent of the bank's loans were to small loans to businesses and two percent were home mortgage loans. CONA has a limited presence in the St. Cloud AA. Because CONA does not have a licensed branch in the St. Cloud AA, CONA is not included in the June 30, 2016 FDIC Summary of Deposit Market Share report. For reference, based on the bank's allocated deposits of \$161 million, CONA would have a deposit market share of 2.81 percent and would rank ninth among 40 (including CONA) depository institutions in the AA. In overall home mortgage lending, CONA ranks 80<sup>th</sup> with a 0.21 percent market share. For home purchase lending, the bank ranks 93<sup>rd</sup> with a 0.13 percent market share. For home improvement lending, the bank ranks 28<sup>th</sup> with a 0.71 percent market share. For home refinance lending, the bank ranks 63<sup>rd</sup> with a 0.27 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the St. Cloud AA, there is strong competition for home mortgage lending. There are 327 lenders, many without a depository presence. In contrast, there are 39 depository institutions in the AA. For small loans to businesses, the bank ranks second with a 16.27 percent market share. There are 54 lenders in the market. The top lender, US Bank, ranks first with a 23.86 percent market share. Wells Fargo ranks third with a 14.45 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Minnesota. CONA has an excellent geographic distribution of small loans to businesses.

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

Refer to Table 6 in the state of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the St. Cloud AA is excellent. The St. Cloud AA does not have low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is adequate in the state of Minnesota. CONA has an adequate distribution of small loans to businesses.

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

Refer to Table 11 in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the St. Cloud AA is adequate, after considering CONA's limited presence and the competition in the AA. Revenue was not reported for approximately 61 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 99.95 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses is somewhat lower than the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Minnesota section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

There were no CD loans originated or purchased during the evaluation period.

### **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test rating. During the evaluation period, the bank originated one VA loan for \$145 thousand.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of Minnesota is rated outstanding. Based on a full-scope review, the bank's performance in the St. Cloud AA is excellent.

Refer to Table 14 in the state of Minnesota section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments and makes use of complex investments to support CD initiatives. CONA originated 21 qualified investments totaling \$3.7 million. There were no prior period investments. The current period investment dollar volume represents 23.21 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and

focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies.

One example that demonstrates the bank's use of complex investments and the bank's responsiveness was a \$2.2 million LIHTC investment to support the new construction of a 37-unit supportive housing development. All units have a special needs set-aside requirement to be rented to formerly homeless veterans or those at risk of being homeless. The set-aside requires that the units be held during the initial six-month lease-up period when the property manager will make every effort to rent the units to qualifying tenants. After the initial time period, 34 units can be filled by any LMI household. The property is located adjacent to veteran's medical facilities and on-site supportive services are provided by a Veterans Assistance Council.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Minnesota is rated high satisfactory. Based on a full-scope review, the bank's performance in the St. Cloud AA is good.

### **Retail Banking Services**

Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA. CONA has one café, located at a Capital One operations center, and two deposit-taking ATMs located in an upper-income geography. No branches were opened or closed during the evaluation period. CONA's ADS, provided through online and mobile banking, are the bank's primary banking channel. There are no publicly accessible deposit-taking ATMs in LMI geographies. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is significantly greater than the conservatively estimated population of fully banked LMI consumers. Limited services are offered at the café location. The café is open five days a week and café hours are 6:30 a.m. to 5:00 p.m. Monday through Friday.

### **Community Development Services**

CONA is a leader in providing CD services that are responsive to the identified needs in the AA, after considering its limited presence in the AA. Bank employees provided approximately eight hundred hours of service to six organizations in the AA that meet the definition of CD.

This includes five employees who serve in leadership roles as Board or committee members for three of the organizations. A majority of the services related to financial education and to organizations that focus on affordable housing targeted to LMI individuals. The following are examples of CD services:

- A CONA associate serves as a Board member for a nonprofit organization whose primary mission is affordable housing for LMI families.
- CONA associates provided financial education to LMI students through an organization whose primary mission is to inspire and prepare young people to succeed in the global economy.

## State of New Jersey

<b>CRA Rating for New Jersey<sup>6</sup>:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence, competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with adequate distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA; and
- CONA provided an adequate level of CD services.

## Description of Institution's Operations in New Jersey

CONA has designated the entire Trenton MSA (Trenton AA), which consists of Mercer County, as its AA. In July 2016, CONA made a business decision to close its only branch in the Trenton AA and exit this market. The impact on CONA's exit to this market was minimal. The bank had a very limited presence and market share in this AA, and this area is being served by other financial institutions.

As of June 30, 2016, the bank operated one branch in the AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the AA totaled \$47.5 million (excluding allocated Internet deposits), representing 0.02 percent of the bank's total domestic deposits. CONA ranks 22<sup>nd</sup> out of 27 institutions with a 0.31 percent deposit market share. Major competitors with larger branch networks are Bank of America ranks first with a 22.14 percent deposit market share, Wells Fargo Bank ranks second with a 14.04 percent

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<sup>6</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

deposit share, and PNC Bank ranks third with a 13.94 percent deposit market share. The bank made 0.31 percent of its evaluation period lending in the state of New Jersey.

Refer to the community profiles for the state of New Jersey in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in New Jersey**

We based our rating of the state of New Jersey on the area that received a full-scope review. We conducted a full-scope review of the Trenton AA, which is the only AA in the state of New Jersey. For the lending test, the bank's performance related to home improvement and home refinance loans was not analyzed or discussed because the limited volume of activity did not provide for a meaningful analysis. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW JERSEY**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of New Jersey is rated outstanding. Based on a full-scope review, the bank's performance in the Trenton AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of New Jersey section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering its limited presence, limited resources, competition, and the bank's focus on small business lending. Within the AA, 94 percent of the bank's loans were small loans to businesses and six percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks 22<sup>nd</sup> out of 27 institutions with a 0.31 percent deposit market share in the Trenton AA. In overall home mortgage lending, CONA ranks 30<sup>th</sup> with a 0.65 percent market share. For home purchase lending, the bank ranks 27<sup>th</sup> with a 0.84 percent market share. For home improvement lending, the bank ranks 10<sup>th</sup> with a 2.88 percent market share. For home refinance lending, the bank ranks 68<sup>th</sup> with a 0.27 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Trenton AA, there is strong competition for home mortgage lending. There are 365 lenders, many without a depository presence. In contrast, there are 27 depository institutions in the AA. For small loans to businesses, the bank ranks sixth with a 9.0 percent market share. There are 81 lenders in the market. The top small business lender, American Express, has a 24.84

percent market share and is a nationwide lender that has a significant small business credit card portfolio. Wells Fargo ranks second with a 10.57 percent market share. PNC Bank ranks third with a 9.97 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of New Jersey. CONA has adequate geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Table 2 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 overall geographic distribution of home mortgage lending in the AA is adequate, after considering CONA's limited presence in the market. The geographic distribution of home purchase loans is adequate.

The bank's geographic distribution of home purchase loans is adequate. The percentage of home purchase loans originated or purchased in low-income geographies is significantly lower than the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies is near to the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies is lower than the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 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 origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Trenton AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is adequate in the state of New Jersey. CONA has excellent borrower distribution of home mortgage loans and adequate distribution of small loans to businesses.

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

Refer to Tables 8 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.

The overall distribution of loans to borrowers of different income levels is excellent. The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers is near to the aggregate percentage of all reporting lenders.

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

Refer to Table 11 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/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Trenton AA is adequate, after considering CONA's limited presence and the competition in the AA. Revenue was not reported for approximately 47 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 99.60 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses is near to the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of New Jersey section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. During the evaluation period, the bank originated three CD loans totaling \$42 million that were responsive to AA credit needs. This volume represents over 100 percent of allocated Tier One Capital. The loans were responsive to the identified needs of the AA, including affordable housing and area revitalization. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided a bridge loan of \$8.7 million to fund a financing gap during the rehabilitation construction period for a multifamily property located in Trenton. The property, which is located in a low-income geography, includes 233 units. Of the 233 units, 232 are designated for LMI seniors and families and benefit from HUD Section 8 assistance. The property offers social service programs for residents. This complex transaction involved several sources of public financing, including proceeds from the issuance of state revenue bonds and the sale of state tax credits.
- CONA provided a \$29 million loan to refinance a 271-unit multifamily dwelling in Hamilton, New Jersey. Ten percent of the units have been recently remodeled, and the borrower intends to continue remodeling upon turnover. Utilities, including heat, are included in the rent.

### **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. During the evaluation period, the bank originated eight FHA loans totaling \$1.3 million, 13 CHB loans totaling \$1.5 million, and one SBA loans totaling \$460 thousand.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of New Jersey is rated outstanding. Based on a full-scope review, the bank's performance in the Trenton AA is excellent.

Refer to Table 14 in the state of New Jersey section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 12 qualified investments totaling \$11.1 million, including \$10.9 million in LIHTC investments. Additionally, three prior period LIHTC investments totaling \$6 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 40.93 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies.

One example that demonstrates the bank's use of complex investments and the bank's responsiveness was a \$10.9 million LIHTC investment in a proprietary equity transaction to fund a portion of an acquisition and rehabilitation of a 233-unit multifamily property located in a low-income geography. This project is discussed in more detail under CD lending.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of New Jersey is low satisfactory. Based on a full-scope review, the bank's performance in the Trenton AA is adequate.

### **Retail Banking Services**

The bank no longer maintains a physical presence in the AA. The bank closed its single branch in the Trenton AA and does not maintain any deposit-taking ATMs within the AA. The single branch was located in an upper-income geography and was not near LMI geographies. Retail banking services remain accessible via online and mobile banking. The impact of the branch closure to accessibility of retail banking services was minimal, as the bank maintained less than 0.5 percent of the deposit market share in the AA.

### **Community Development Services**

CONA associates provided an adequate level of CD services, given the bank's limited presence in the AA. Bank employees provided 160 hours of CD services to two CD organizations. One CONA associate serves as a Board member of a local organization that provides social services and programs to LMI individuals and families.

## State of Texas

<b>CRA Rating for Texas:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering competition and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional access provided by MUI branches that are in close proximity to LMI geographies and/or being used by customers residing in LMI geographies and the availability and effectiveness of the bank's ADS. Performance in the limited-scope AAs has impacted the service test rating for the state of Texas; and
- CONA is a leader in providing CD services that are innovative and responsive to the needs of the bank's AA.

## Description of Institution's Operations in Texas

CONA has delineated the following 13 AAs within the state of Texas: Austin, Beaumont, Brownsville, Corpus Christi, Dallas-Fort Worth, Houston, Longview, McAllen, San Antonio, Texarkana, Tyler, Victoria and the Texas non-MSA AAs. For all AAs, the bank excluded the counties in the AA where the bank does not have a deposit-taking presence. Please refer to Appendix A for additional details on the AAs.

During the evaluation period, CONA made a business decision to close its two branches in Corpus Christi and exit this market. One branch was closed in April 2015, and the other was closed in October 2016. The impact of CONA's exit to this market was minimal. CONA had a limited presence and market share in this area, and the area is being served by other financial institutions.

CONA operates 125 branches, and 249 deposit-taking ATMs at 146 locations, within the state of Texas. Two of the ATMs in the Dallas-Fort Worth AA, both located in upper-income geographies, are used exclusively by Capital One associates. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the state of Texas totaled \$11.6 billion (excluding allocated Internet deposits), representing 5.58 percent of the bank's total domestic deposits. In terms of market share, CONA ranks eighth out of 298 depository institutions in the state of Texas with a 1.82 percent deposit market share. JP Morgan Chase ranks first with a 23.01 percent deposit market share. Bank of America ranks second with a 16.50 percent deposit market share, and USAA Federal Savings Bank ranks third with a 10.61 percent deposit market share. The bank made 21.16 percent of its evaluation period loans in the state of Texas.

Refer to the community profiles for the state of Texas in Appendix C for detailed demographics and other performance context information for the AAs that received full-scope reviews.

## **Scope of Evaluation in Texas**

In evaluating the state of Texas, the Dallas-Fort Worth AA and the Houston AA were selected for full-scope procedures and most heavily weighted in our overall conclusions. CONA is a major institution in both of these AAs, and the two AAs comprise a significant portion of CONA's deposits, lending, and branches in the state of Texas. Combined, these two AAs have 67.80 percent of deposits and 68.65 percent lending, and contain 61.60 percent of total branches, in the state of Texas. The Dallas-Fort Worth AA has 27.38 percent of the deposits, 33.16 percent of the lending, and 28.80 percent of the branches in Texas. The Houston AA has 40.42 percent of the deposits, 35.49 percent of the lending, and 32.80 percent of the branches in Texas. The remaining AAs were analyzed using limited-scope procedures. We based our ratings primarily on the results of the areas that received a full-scope review. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Texas is rated outstanding. Based on full-scope reviews, the bank's performance in the Dallas-Fort Worth AA is excellent and in the Houston AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Texas section of Appendix D for the facts and data used to evaluate the bank's lending activity.

#### **Dallas-Fort Worth AA**

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering competition and the bank's focus on small business lending. Within the AA, 94 percent of the bank's loans were small loans to businesses and six percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks 12<sup>th</sup> out of 141 institutions with a 1.20 percent deposit market share in the Dallas-Fort Worth AA. In overall home mortgage lending, CONA ranks 58<sup>th</sup> with a 0.37 percent market share. For home purchase lending, the bank ranks 78<sup>th</sup> with a 0.28 percent market share. For home improvement lending, the bank ranks 13<sup>th</sup> with a 1.71 percent market share. For home refinance lending, the bank ranks 49<sup>th</sup> with a 0.40 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Dallas-Fort Worth AA, there is strong competition for home mortgage lending. There are 918 lenders, many without a depository presence. In contrast, there are 141 depository institutions in the AA. For small loans to businesses, the bank ranks third with a 10.37 percent market share. There are 207 lenders in the market. The top small business lender, American Express, has a 23.06 percent market share and is a nationwide lender that has a significant small business credit card portfolio. Chase ranks second with a 12.30 percent market share.

### **Houston AA**

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering competition and the bank's focus on small business lending. Within the AA, 94 percent of the bank's loans were small loans to businesses and six percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks seventh out of 97 institutions with a 2.12 percent deposit market share in the Houston AA. In overall home mortgage lending, CONA ranks 47<sup>th</sup> with a 0.49 percent market share. For home purchase lending, the bank ranks 82<sup>nd</sup> with a 0.29 percent market share. For home improvement lending, the bank ranks 5<sup>th</sup> with a 2.91 percent market share. For home refinance lending, the bank ranks 27<sup>th</sup> with a 0.65 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Houston AA, there is strong competition for home mortgage lending. There are 857 lenders, many without a depository presence. In contrast, there are 97 depository institutions in the AA. For small loans to businesses, the bank ranks third with an 11.21 percent market share. There are 189 lenders in the market. The top small business lender, American Express, has a 22.96 percent market share and is a nationwide lender that has a significant small business credit card portfolio. Chase ranks second with a 14.90 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Texas. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

### **Dallas-Fort Worth AA**

***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in the state of Texas 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 overall geographic distribution of home mortgage lending in the Dallas-Fort Worth AA is excellent. The geographic distribution of home purchase loans is excellent, home improvement loans is excellent, and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

***Small Loans to Businesses***

Refer to Table 6 in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Dallas-Fort Worth AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

## **Houston AA**

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

Refer to Tables 2, 3 and 4 in the state of Texas 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 overall geographic distribution of home mortgage lending in the Houston AA is excellent. The geographic distribution of home purchase loans is excellent, home improvement loans is excellent, and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied units in low-income geographies. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home improvement loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies is near to the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of

home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Houston AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is good in the state of Texas. CONA has excellent borrower distribution of home mortgage loans and good distribution of small loans to businesses.

### **Dallas-Fort Worth AA**

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

Refer to Tables 8, 9, and 10 in the state of Texas 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.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is excellent, home improvement loans is excellent, and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Dallas-Fort Worth AA is good. Revenue was not reported for approximately 38 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 98.75 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses exceeds the aggregate percentage of all reporting lenders.

## **Houston AA**

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

Refer to Tables 8, 9, and 10 in the state of Texas 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.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is excellent, home improvement loans is excellent, and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home improvement loans is excellent. The percentage of home improvement loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home improvement loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home improvement loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is somewhat lower than the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Houston AA is good. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is somewhat lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 98.83 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses exceeds the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume and Table 1 Other Products in the state of Texas section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition,

Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

### **Dallas-Fort Worth AA**

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. During the evaluation period, CONA originated 42 CD loans for \$289 million, which represents 66.40 percent of allocated Tier One Capital. The loans were responsive to the identified needs of the AA, including affordable housing and area revitalization. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided a \$12.4 million construction loan to finance the development of a 138-unit apartment complex for seniors in Dallas County. All units are reserved for LMI seniors, and 70 of the units are for low-income households (those with incomes up to 50 percent of AMI). Further, seven of the units are reserved for persons with special needs, such as alcohol and/or drug addiction, disabilities, HIV/AIDS, victims of domestic violence, homeless populations, veterans, wounded warriors, and migrant farm workers.
- CONA, through its CDC, provided a loan of \$775 thousand to another CDC for the construction of ten affordable single-family homes for sale to LMI households. These units, located in a moderate-income geography in south Dallas, replaced an apartment complex that was run-down and impossible to rehabilitate. The city of Dallas also provided financing and, with the assistance of HUD, relocated all the existing tenants who could not be accommodated in the new units. All homeowners were eligible to receive up to \$20 thousand in closing cost assistance. The transaction was innovative and complex, as it brought together CONA and the city of Dallas to provide funding designed to keep construction costs in line with a final sales price affordable to LMI households. The bank also demonstrated leadership, as this type of construction financing has not been routinely offered by other financial institutions. In addition, CONA was flexible by providing a very low interest rate for a two-year term.
- CONA financed alternative educational opportunities for LMI individuals in Dallas using NMTC loans in two separate transactions:
  - A \$7.9 million loan to construct a STEM (Science, Technology, Engineering and Math) learning center for a youth organization. The center will create educational opportunities in the predominately LMI area of south Dallas, and is intended to inspire students to pursue higher education in STEM fields.
  - A \$9.4 million loan to construct an independent high school that will provide an alternative to public schools for 550 students whose families live near or below the federal poverty line. The school will provide a college preparatory curriculum accessible to some of the most economically challenged families in Dallas.

### **Houston AA**

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. CONA made 44 CD loans totaling \$332 million in the Houston AA, which amounted to 51.63 percent of the Tier One Capital allocated to the AA. CONA also provided four leases and/or LCs with a CD purpose, totaling \$28 million. The loans were responsive to the identified needs of the AA, including affordable housing and area revitalization. The following are examples of the bank's CD loans that illustrate the complexity and responsiveness of CONA's CD lending:

- CONA provided a construction loan of \$13.5 million and an irrevocable standby LC for \$1.6 million to help finance the development of an affordable rental housing property in Houston. The property has 144 units, including 102 reserved for LMI households. This complex transaction involved additional financing from the city of Houston and responded to the critical need for affordable housing. In addition, various social services (e.g., GED preparation classes, financial planning, and transportation) are provided to residents at no cost.
- CONA, through its CDC, provided a Houston CDC with a \$1 million construction line of credit to build 24 new single family homes for sale to LMI first-time homebuyers. The sites are located in a low-income geography.
- CONA helped finance the development of an affordable rental housing property in Houston by providing a construction loan of \$6 million via the purchase of multifamily housing mortgage revenue bonds issued by the Houston Housing Finance Corporation. The property has 68 units, including 55 reserved for LMI households. This complex transaction included financing from the city of Houston through a federal disaster relief program, grant funds loaned by the project sponsor (a local nonprofit CDC), and LIHTC equity. The development was built on a vacant lot in a low-income geography, thereby enhancing neighborhood stability. Various social services (e.g., homebuyer and financial literacy education, job skill training) are provided to residents at no cost.
- CONA provided \$14.8 million in construction financing in connection with a 150-unit development consisting of 15 residential buildings located in Fort Bend County. Eighty percent of the units are reserved for LMI families, with 12 units for those earning 30 percent or less; 48 units for those earning 50 percent or less; and 60 units for those earning 60 percent or less of MFI. Considerable additional financing was provided by the local housing authority. Residents have access to supportive services such as basic adult education, vocational training, financial planning, health screening services, counseling services, credit counseling, and health and nutritional courses.
- CONA provided construction bond financing in the amount of \$12 million to help create 140 apartments for LMI seniors in Harris County. On-site social services include health and nutrition courses, social events, and assistance with home chores and preventive maintenance. This complex transaction also included two sources of financing from the Harris County Housing Authority.

## **Product Innovation and Flexibility**

**Dallas-Fort Worth AA**

CONA makes limited use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. CONA originated or purchased 200 FHA loans totaling \$40 million, 11 VA loans totaling \$1.5 million, 32 Dream loans totaling \$3.9 million, 144 SUHILs totaling \$591 thousand, and 53 SBA loans totaling \$24.7 million.

**Houston AA**

CONA makes limited use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. CONA originated or purchased 176 FHA loans totaling \$24.5 million, 10 VA loans totaling \$1.6 million, 99 Dream loans totaling \$11 million, 70 SUHILs totaling \$280 thousand, and 53 SBA loans totaling \$34 million.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Austin, Beaumont, Brownsville, Corpus Christi, McAllen, San Antonio, Texarkana, Tyler, and the Texas non-MSA AAs is not inconsistent with the bank's overall outstanding performance under the lending test in the state of Texas. In the Longview and Victoria AAs, the bank's performance is weaker than the banks overall performance in the state of Texas and is considered good. The weaker performance is due to a lower level of CD lending relative to the bank's operations in those AAs. Performance in the limited-scope AAs did not significantly affect the lending test rating for the state of Texas. Refer to the Tables 1 through 13 in the state of Texas section of Appendix D for the facts and data that support these conclusions.

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

The bank's performance under the investment test in the state of Texas is rated outstanding. Based on full-scope reviews, the bank's performance in the Dallas-Fort Worth AA is excellent and in the Houston AA is excellent.

Refer to Table 14 in the state of Texas section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

**Dallas-Fort Worth AA**

CONA has an excellent level of qualified investments, demonstrates leadership often, and makes extensive use of complex investments to support CD initiatives. CONA originated 190 qualified investments totaling \$67.5 million. Additionally, 10 prior period investments totaling \$35.3 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 23.61 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided a \$12.8 million proprietary LIHTC investment to assist in financing a portion of the construction of a 124-unit residential facility where all units are reserved for seniors and 112 units are for LMI households. Additionally, 22 units are subsidized by HUD Section 8 assistance, and seven units are set aside for households with special housing needs, including victims of domestic violence, homeless persons, veterans, migrant farm workers, persons with alcohol and/or drug addictions, disabilities, and/or HIV/AIDs.
- CONA provided a \$2 million LIHTC investment to fund a portion of the new construction of a 40-unit affordable townhome community. All units are designated for LMI households. Twenty-one units will received HUD Section 8 rental assistance and 19 units are reserved for veterans and benefit from rental assistance provided by HUD's Veterans Affairs Supportive Housing Program.
- During the evaluation period, CONA provided \$20 thousand in grants to support the Dallas *Getting Down to Business* program.

### **Houston AA**

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 122 qualified investments totaling \$96.3 million, including LIHTCs totaling \$93.3 million. Additionally, 24 prior period investments totaling \$97.3 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 30.10 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following examples demonstrate the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided an \$18.5 million LIHTC investment to fund of a portion of the new construction of a 124-unit multifamily property located in a low-income geography. Of the 124 units, 105 are reserved for LMI families. The property is located in an area with

strong demand for, but limited supply of, affordable housing. In addition to affordable housing, support services are provided for the residents. A portion of the bank's investment included a Social Purpose grant for resident services, including assistance with scheduling and maintaining appointments, financial budgeting, and identifying and securing government-sponsored support services.

- CONA has a \$6.6 million LIHTC investment to help finance the construction of a 48-unit multifamily project located in a low-income geography. A majority of the units, 43 of the 48 units, are reserved for tenants earning at or below 60 percent of AMI. Three of the units are set aside for persons with special needs, which include persons with alcohol and/or drug addictions, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations, veterans, and migrant farm workers. As part of the LIHTC, CONA provided a \$50 thousand Social Purpose grant to the project's sponsor to provide resident services, such as financial planning, homebuyer education, credit counseling, health and nutritional courses, and exercise classes. Project financing also included funds from a public nonprofit corporation that provides housing to LMI residents.
- During the evaluation period, CONA provided \$90 thousand in grants to support the Houston *Getting Down to Business* program.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Austin, Beaumont, Brownsville, Corpus Christi, Longview, McAllen, San Antonio, Texarkana, Tyler, Victoria and the Texas non-MSA AAs is not inconsistent with the bank's overall outstanding performance under the investment test in the state of Texas. Performance in the limited-scope AAs did not significantly affect the investment test rating for the state of Texas. Refer to the Table 14 in the state of Texas section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Texas is high satisfactory. Based on full-scope reviews, the bank's performance in the Dallas-Fort Worth AA is good and in the Houston AA is excellent. Performance in the limited-scope AAs has impacted the service test rating for the state of Texas.

### **Retail Banking Services**

Refer to Table 15 in the state of Texas section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

## **Dallas-Fort Worth AA**

Retail delivery systems are accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional access provided by MUI branches that are in close proximity to LMI geographies and/or are being used by customers residing in LMI geographies, and the availability and effectiveness of the bank's ADS. There are 36 branches within the Dallas-Fort Worth AA. The percentage of the bank's branches located in low-income geographies is near to or equal the percentage of the population residing in those geographies. The percentage of the bank's branches located in moderate-income geographies is somewhat lower than the percentage of the population residing in those geographies. CONA has six branches in MUI geographies that border LMI geographies or are adjacent and within one-half mile in proximity to LMI geographies. In addition, CONA provided internal data demonstrating that approximately 14 percent of MUI branches have a higher percentage of usage from customers residing in LMI geographies than the percentage of the population residing in those geographies.

CONA's ADS, including deposit-taking ATMs, online, and mobile banking, were effective and provide customers with additional availability and access to retail banking services. The distribution of deposit-taking ATMs is not inconsistent with the branch distribution. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is equivalent to the conservatively estimated population of fully banked LMI consumers.

CONA's record of opening and closing branches has not adversely affected the accessibility of its delivery systems in the AA, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, CONA opened six branches and closed 12 branches. Of the six branches opened, one was in a low-income geography and five were in an upper-income geography. Of the 12 branches CONA closed, one was in a low-income geography, one in a moderate-income geography, and the remaining ten were in MUI geographies. The branch closures did not adversely affect the branch distribution in LMI geographies within the AA.

Branch hours and services do not vary in a way that inconveniences certain portions of its AA, particularly LMI geographies and individuals. All 36 branches are open six days per week. Branch hours are generally 9:00 a.m. to 5:00 p.m. Monday through Thursday and 9:00 a.m. to 6:00 p.m. on Friday. Most branches are open from 9:00 a.m. to 1:00 p.m. on Saturday, including the LMI branches.

## **Houston AA**

Retail delivery systems are readily accessible to geographies and individuals of different income levels in the bank's AA, after considering the additional access provided by MUI branches that are in close proximity to LMI geographies and/or are being used by customers

residing in LMI geographies and the availability and effectiveness of the bank's ADS. There are 41 branches within the Houston AA. The percentage of the bank's branches located in low-income geographies exceeds the percentage of the population residing in those geographies. The percentage of the bank's branches located in moderate-income geographies is somewhat lower than the percentage of the population residing in those geographies. CONA has six branches in MUI geographies that border LMI geographies or are adjacent and within one-half mile in proximity to LMI geographies. In addition, CONA provided internal data demonstrating that approximately 21 percent of MUI branches have a higher percentage of usage from customers residing in LMI geographies than the percentage of the population residing in those geographies.

CONA's ADS, including deposit-taking ATMs, online, and mobile banking, were effective and provide customers with additional availability and access to retail banking services. The distribution of deposit-taking ATMs is not inconsistent with the branch distribution. CONA provided internal data demonstrating an increase in both new accounts and retained accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is significantly greater than the conservatively estimated population of fully banked LMI consumers.

CONA's record of opening and closing branches has not adversely affected the accessibility of its delivery systems in the AA, particularly in LMI geographies and/or to LMI individuals. During the evaluation period, the bank opened four branches and closed 13 branches, mainly in MUI geographies. All four branches CONA opened were in MUI geographies. Of the 13 branches CONA closed, three were in low-income geographies, one was in a moderate-income geography, and the remaining nine were in MUI geographies. For two of the low-income branch closures, there is a branch less than three miles from the closed branch that offers similar hours and services to accommodate the customers impacted by the branch closure. One branch, located in a low-income geography, was closed as part of a market exit. The branch closures did not adversely affect the branch distribution in LMI geographies within the AA.

Branch hours and services do not vary in a way that inconveniences certain portions of its AA, particularly LMI geographies and individuals. Branch hours are generally 9:00 a.m. to 5:00 p.m. Monday through Thursday and 9:00 a.m. to 6:00 p.m. on Friday. Most branches are open from 9:00 a.m. to 1:00 p.m. on Saturday, including the LMI branches.

## **Community Development Services**

### **Dallas-Fort Worth AA**

CONA is a leader in providing CD services that are responsive to the identified needs in the AA. Bank employees provided seven thousand hours of service to 53 organizations in the AA that meet the definition of CD. This includes eight employees who serve in leadership roles as

Board or committee members for eight of the organizations. A significant majority of the CD services, close to five thousand hours, focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Other CD services were to organizations that focus on community services or affordable housing targeted to LMI individuals and economic development. The following are examples of responsive CD services:

- During the evaluation period, 27 Dallas area small business owners graduated from the *Getting Down to Business* program and received \$53 thousand in savings matches from CONA.
- During the evaluation period, the Dallas *Straight Talk* program presented 20 workshops that were attended by 750 small business owners.
- CONA associates devoted one thousand hours to teaching coding skills at a local middle school and nonprofit organization in Dallas, both of which serve youth primarily from LMI families.

### **Houston AA**

CONA is a leader in providing CD services that are responsive to the identified needs in the AA. Bank employees provided three thousand hours of service to 33 organizations in the AA that meet the definition of CD. This includes six employees who serve in leadership roles as Board or committee members for six of the organizations. A significant majority of the CD services, two thousand hours, focused on providing financial education and literacy to local schools within the AA that primarily serve LMI families. Other CD services were to organizations that focus on community services or affordable housing targeted to LMI individuals and economic development. The following are examples of responsive CD services:

- Houston is one of the flagship AAs for CONA's *Getting Down to Business* program. During the evaluation period, 43 Houston area small business owners graduated from the program and received \$84 thousand in savings match from CONA.
- During the evaluation period, the Houston *Straight Talk* program presented 74 workshops that were attended by three thousand small business owners.
- During the evaluation period, CONA provided two hundred hours of technical assistance under the *Lift Off Houston* program. *Lift Off Houston* is a unique and innovative business plan competition open to start-up businesses in Houston. The city of Houston and the Houston Public Library asked CONA to partner with them in creating this program. CONA then successfully engaged additional partners to contribute their expertise in providing technical assistance to small businesses, including SCORE, LiftFund, The People Fund, and Money Management International. The competition takes place over five months and includes workshops, mentoring, and presentation. Workshops cover essential business topics, after which, the participants create

business plans with support from the program partners. CONA also led a workshop in 2015 that was live-streamed online to allow participants and non-participants alike to benefit from the training.

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

Based on limited-scope reviews, the bank's performance under the service test in the Austin, Beaumont, and Brownsville AAs is not inconsistent with the bank's overall high satisfactory performance under the service test in the state of Texas. In the McAllen and Texas non-MSA AAs, the bank's performance is stronger than the bank's overall performance in the state of Texas and is considered excellent. In the Longview, San Antonio, Texarkana, Tyler, and Victoria AAs, the bank's performance is weaker than the bank's overall performance in the state of Texas and is considered poor. The weaker performance is due to weaker branch distribution. The bank closed its two branches in the Corpus Christi AA and exited this market. Performance in the limited-scope AAs has impacted the service test rating for the state of Texas. Refer to the Table 15 in the state of Texas section of Appendix D for the facts and data that support these conclusions.

## Commonwealth of Virginia

<b>CRA Rating for Virginia<sup>7</sup>:</b>	<b>Outstanding</b>
<b>The lending test is rated:</b>	<b>Outstanding</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the bank's limited presence, competition, and the bank's focus on small business lending;
- CONA's geographic distribution of loans reflects excellent penetration throughout the AA, with excellent distribution of home mortgage loans and excellent distribution of small loans to businesses;
- Excellent level of CD lending that was complex and highly responsive to the identified needs of the AA;
- Excellent level of CD investments that were complex and highly responsive to the identified needs of the AA;
- Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA; and
- CONA provides a relatively high level of CD services that are responsive to the needs of the bank's AA.

## Description of Institution's Operations in Virginia

CONA has delineated two AAs in the state of Virginia. The Richmond AA consists of a portion of the Richmond, VA MSA and includes the counties of Chesterfield, Goochland, Henrico, and Hanover, and the cities of Colonial Heights and Richmond. CONA expanded into Hanover County and the city of Colonial Heights in September and October 2016, respectively, with the installation of the deposit-taking ATMs in the Target stores located in these areas. CONA excludes the counties of Amelia, Caroline, Charles City, Dinwiddie, King William, New Kent, Powhatan, Prince George, and Sussex, and the cities of Hopewell and Petersburg because CONA does not have a deposit-taking presence there.

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<sup>7</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

The Charlottesville AA consisted of a portion of the Charlottesville, VA MSA and included Albemarle County and Charlottesville city. CONA closed the branch and the deposit-taking ATM in July 2016 and exited the Charlottesville AA. The impact on CONA's exit to this market was minimal. The bank had a very limited presence and market share in this AA, and this area is being served by other financial institutions.

At the end of the evaluation period, CONA operates one branch and two cafés in the Richmond AA, all in MUI geographies. The Short Pump café was opened in December 2016 and is the only facility accessible to the public. The branch and West Creek café primarily serve CONA associates and are not accessible to the public. CONA has 25 deposit-taking ATMs in 21 locations, including five deposit-taking ATMs that are used exclusively by Capital One associates. Twelve of the deposit-taking ATMs are located in Target stores and were added in September and October of 2016. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the state of Virginia totaled \$248 million (excluding allocated Internet deposits), representing 0.12 percent of the bank's total domestic deposits. In terms of market share, CONA ranks 15<sup>th</sup> with a 0.26 percent deposit market share in the state of Virginia. Capital One Bank (USA) ranks first with a 64.91 percent deposit market share, Bank of America ranks second with a 13.37 percent deposit market share, and Wells Fargo ranks third with a 7.21 percent deposit market share. There are 42 FDIC-insured depository institutions within the state of Virginia. The bank made 1.25 percent of its evaluation period loans in the state of Virginia.

Refer to the community profiles for the state of Virginia in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

## **Scope of Evaluation in Virginia**

In evaluating the state of Virginia, the Richmond AA was selected for full-scope procedures and most heavily weighted in our overall conclusions. The Richmond AA was the only AA in the state of Virginia at the end of the evaluation period. For the lending test, the bank's performance related to home improvement loans was not analyzed or discussed because the limited volume of activity did not provide for a meaningful analysis. The Charlottesville AA was analyzed using limited-scope procedures. We based our rating primarily on the result of the area that received a full-scope review. Please refer to the table in Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN VIRGINIA**

### **LENDING TEST**

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

The bank's performance under the lending test in the state of Virginia is rated outstanding. Based on a full-scope review, the bank's performance in the Richmond AA is excellent.

## **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in the state of Virginia section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CONA's lending activity reflects excellent responsiveness to the credit needs of its AA, after considering the bank's limited presence, competition, and the bank's focus on small business lending. Within the AA, 88 percent of the bank's loans were small loans to businesses and 12 percent were home mortgage loans. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks 14<sup>th</sup> out of 35 institutions with a 0.23 percent deposit market share in the Richmond AA. In overall home mortgage lending, CONA ranks 31<sup>st</sup> with a 0.73 percent market share. For home purchase lending, the bank ranks 32<sup>nd</sup> with a 0.79 percent market share. For home improvement lending, the bank ranks 16<sup>th</sup> with a 0.89 percent market share. For home refinance lending, the bank ranks 28<sup>th</sup> with a 0.65 percent market share. The mortgage lending market share is skewed when compared to the deposit market share based on the number of lenders and depository institutions. In the Richmond AA, there is strong competition for home mortgage lending. There are 448 lenders, many without a depository presence. In contrast, there are 35 depository institutions in the AA. For small loans to businesses, the bank ranks third with a 10.87 percent market share. There are 100 lenders in the market. The top small business lender, American Express, ranks first with a 23.62 percent market share and is a nationwide lender that has a significant small business credit card portfolios. Wells Fargo ranks second with a 15.81 percent market share.

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

CONA's overall geographic distribution of loans by income level of the geography is excellent in the state of Virginia. CONA has excellent geographic distribution of home mortgage loans and excellent distribution of small loans to businesses.

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

Refer to Tables 2 and 4 in the state of Virginia 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 overall geographic distribution of home mortgage lending in the Richmond AA is excellent, after considering CONA's limited presence and the level of competition in the market. The geographic distribution of both home purchase and home refinance loans is excellent.

The bank's geographic distribution of home purchase loans is excellent. The percentage of home purchase loans originated or purchased in low-income geographies is somewhat lower than the percentage of owner-occupied units in low-income geographies. The percentage of home purchase loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home purchase loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans

originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

The bank's geographic distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased in low-income geographies is somewhat lower than the percentage of owner-occupied units in low-income geographies. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies. The percentage of home refinance loans originated or purchased in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

Refer to Table 6 in the state of Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses in the Richmond AA is excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeds the percentage of small businesses located in low-income geographies. The percentage of small loans to businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The percentage of small loans to businesses in low-income geographies exceeds the aggregate percentage of all reporting lenders. The percentage of small loans to businesses in moderate-income geographies exceeds the aggregate percentage of all reporting lenders.

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

CONA's overall distribution of loans to borrowers of different income levels is adequate in the state of Virginia. CONA has excellent borrower distribution of home mortgage loans and adequate distribution of small loans to businesses.

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

Refer to Tables 8 and 10 in the state of Virginia 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.

The overall distribution of loans to borrowers of different income levels is excellent. The borrower distribution of home purchase loans is good and home refinance loans is excellent.

The bank's borrower distribution of home purchase loans is good. The percentage of home purchase loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home purchase loans originated or

purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home purchase loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home purchase loans originated or purchased to moderate-income borrowers is lower than the aggregate percentage of all reporting lenders.

The bank's borrower distribution of home refinance loans is excellent. The percentage of home refinance loans originated or purchased to low-income borrowers is near to the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to moderate-income borrowers exceeds the percentage of families defined as such in the AA. The percentage of home refinance loans originated or purchased to low-income borrowers exceeds the aggregate percentage of all reporting lenders. The percentage of home refinance loans originated or purchased to moderate-income borrowers is near to the aggregate percentage of all reporting lenders.

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

Refer to Table 11 in the state of Virginia section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The overall distribution of loans to businesses of different sizes in the Richmond AA is adequate, after considering CONA's limited presence and the competition in the AA. Revenue was not reported for approximately 43 percent of the small loans to businesses. The percentage of small loans to businesses (businesses with gross annual revenues of \$1 million or less) originated or purchased is lower than the percentage of small businesses located in the AA. While the bank's performance is lower than the demographics, the majority of originated and purchased loans were in small dollar amounts, which is an indicator that CONA is lending to small businesses. The distribution by size of loans shows that 99.19 percent of the loan originations are for \$100 thousand or less. The percentage of loans to small businesses is near to the aggregate percentage of all reporting lenders.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Virginia section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CONA is a leader in making CD loans. CD lending had a positive impact on the lending test conclusion. CONA originated one CD loan for \$17.3 million, which represented 31.81 percent of Tier One Capital. The loan supported a 240-unit residential development, in which a majority of the units are affordable to LMI households.

### **Product Innovation and Flexibility**

CONA makes little use of flexible lending practices in order to serve AA credit needs. This had a neutral impact on the lending test conclusion. During the evaluation period, the bank originated 94 FHA loans totaling \$17.5 million, 16 VA loans totaling \$2.8 million, and one CHB loan totaling \$165 thousand. CONA also originated one SBA loan totaling \$145 thousand.

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

Based on a limited-scope review, the bank's performance under the lending test in the Charlottesville AA is not inconsistent with the bank's overall outstanding performance under the lending test in the state of Virginia. Performance in the limited-scope AA did not significantly affect the lending test rating for the state of Virginia. Refer to the Tables 1 through 13 in the state of Virginia section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of Virginia is rated outstanding. Based on a full-scope review, the bank's performance in the Richmond AA is excellent.

Refer to Table 14 in the state of Virginia section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

CONA has an excellent level of qualified investments, demonstrates leadership, and makes extensive use of complex investments to support CD initiatives. CONA originated 18 qualified investments totaling \$9.1 million, including \$8.6 million in LIHTC investments. Additionally, four prior period investments totaling \$6.4 million remain outstanding and provide continuing benefit to the AA. The combined current and prior period investment dollar volume represents 28.58 percent of the bank's allocated Tier One Capital.

The bank's responsiveness to the CD needs in the AA is excellent. A substantial majority of the dollar volume of the bank's current and prior period investment transactions is LIHTCs and focuses on affordable housing, a primary credit need in the AA. Grants were made to a variety of organizations that support affordable housing or community services targeted to LMI individuals, small business development, or revitalization and stabilization of LMI geographies. The following example demonstrates the bank's leadership, use of complex investments, and the bank's responsiveness to the needs of the area:

- CONA provided an \$8.6 million LIHTC investment to help finance the development of a new 80-unit affordable housing property located in a moderate-income geography. All units are reserved for LMI families. Eight of the units are set aside for persons with disabilities and an additional eight units must conform to HUD accessibility requirements and be actively marketed to people with mobility impairments.

- Another example of responsiveness is a \$151 thousand donation to an alternative K-12 school that serves students with learning, emotional, and intellectual disabilities along with other health impairments. The majority of the students are from LMI families. The grant funds were used to update and enhance the school's Information Technology systems and workforce development program.

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

Based on a limited-scope review, the bank's performance under the investment test in the Charlottesville AA is not inconsistent with the bank's overall outstanding performance under the investment test in the state of Virginia. Performance in the limited-scope AA did not significantly affect the investment test rating for the state of Virginia. Refer to the Table 14 in the state of Virginia section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in the state of Virginia section is rated high satisfactory. Based on a full-scope review, the bank's performance in the Richmond AA is good.

### **Retail Banking Services**

Refer to Table 15 in the state of Virginia section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Retail delivery systems, provided exclusively through ADS, are accessible to geographies and individuals of different income levels in the bank's AA. At the end of the evaluation period, CONA operates one branch and two cafés in the Richmond AA, all in MUI geographies. The Short Pump café was opened in December 2016 and is the only facility accessible to the public. The branch and West Creek café primarily serve CONA associates and are not accessible to the public. CONA has 25 deposit-taking ATMs in 21 locations, including five deposit-taking ATMs that are used exclusively by Capital One associates.

CONA's record of opening and closing branches has not adversely affected the accessibility of its delivery systems in the AA, particularly LMI geographies and/or to LMI individuals. During the evaluation period, no branches were opened and one branch, located in an upper-income geography on the bank's corporate premises, was closed.

CONA's ADS, including deposit-taking ATMs, online, and mobile banking, are the bank's primary banking channel. The distribution of deposit-taking ATMs in LMI geographies is somewhat lower than the percentage of the population residing within those geographies. CONA provided internal data demonstrating an increase in both new accounts and retained

accounts for customers residing in LMI geographies. The growth rate of new accounts for customers residing in LMI geographies is significantly higher than the growth rate of new accounts for customers residing in MUI geographies. CONA's internal data also shows an increase in the usage of ADS by customers residing in LMI geographies, and ADS usage by customers residing in LMI geographies exceeds the ADS usage by customers residing in MUI geographies. The proportion of the bank's LMI customers using ADS is greater than the conservatively estimated population of fully banked LMI consumers.

### **Community Development Services**

CONA provides a relatively high level of CD services that are responsive to the identified needs in the AA, after considering the bank's limited presence in the AA. Bank employees provided eight hundred hours of service to five organizations in the AA that meet the definition of CD. This includes three employees who serve in leadership roles as Board or committee members for three of the organizations. A majority of the services related to financial education and to organizations that focus on community services and economic development. The following are examples of CD services:

- A CONA associate provided pro bono services in their field of expertise by providing technological assistance to LMI students.
- CONA associates devoted 325 hours to teaching coding skills to students from a local middle school that primarily serves students from LMI families.

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

The bank no longer maintains a physical presence in the Charlottesville AA. In July 2016, CONA made a business decision to close its branch in the Charlottesville AA and exit the market. Retail banking services remain accessible via online and mobile banking. The impact of CONA's exit to this market was minimal. The bank had a limited presence and market share in this AA, and the area is being served by several other financial institutions. Refer to the Table 15 in the state of Virginia section of Appendix D for the facts and data that support these conclusions.

## 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 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): 01/01/2014 to 12/31/2016 Investment and Service Tests and CD Loans: 01/01/14 to 12/31/16	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Capital One, National Association (CONA) McLean, Virginia		Home Mortgage Loans Small Business Loans Letters of Credit and Leases Community Development Loans Community Development Investments Community Development Services Retail Services
<b>Subsidiary or Affiliate</b>	<b>Relationship</b>	<b>Products Reviewed</b>
Capital One Multifamily Finance, LLC	Subsidiary	Community Development Loans
Capital One Bank (USA), National Association	Affiliate	Small Loans to Businesses and Farms
Capital One Community Development Corp.	Affiliate	Investments
Capital One Community Development Corporation II (COCDC II)	Subsidiary	Community Development Loans
Capital One Equipment Finance Corp.	Subsidiary	Small Loans to Businesses and Farms
Capital One Equipment Leasing, LLC	Subsidiary	Community Development Leases
Capital One Foundation, Inc.	Affiliate	Investments (Grants)
Capital One MR New Markets, LLC	Subsidiary	Community Development Loans
Capital One NMTC Manager, Inc.	Subsidiary	Community Development Loans
Capital One NA LIHTC, Inc.	Subsidiary	Investments
Capital One Municipal Funding, Inc.	Subsidiary	Community Development Loans
COCRF Findlay Market Fund, LLC	Subsidiary	Community Development Loans
COCRF Greenlining Fund, LLC	Subsidiary	Community Development Loans
COCRF Investor (I-II, IV-V, VII-XVIII, 19-28, 30-48, 50-51, 59-76), LLC	Subsidiary	Community Development Loans
COCRF Investor Fund (52,54-58), LLC	Subsidiary	Community Development Loans
COCRF Jetro Fund, LLC	Subsidiary	Community Development Loans
COCRF Los Barrios Fund, LLC	Subsidiary	Community Development Loans
COCRF Puff Factory Fund, LLC	Subsidiary	Community Development Loans
COCRF Seminary Point, LLC	Subsidiary	Community Development Loans
COCRF SF LGBT Center, LLC	Subsidiary	Community Development Loans

COCRF SubCDE (II, VIII-XII, XIV, XV, XVII-XX, 21-36, 38-49), LLC	Subsidiary	Community Development Loans
COCRF Terry Reilly Fund, LLC	Subsidiary	Community Development Loans
COCRF Winston Fund, LLC	Subsidiary	Community Development Loans
COCRF Winston State Fund, LLC	Subsidiary	Community Development Loans
COCRF Women's Home Fund, LLC	Subsidiary	Community Development Loans
Enhanced Capital New Market Development Fund (63, 71), LLC	Subsidiary	Community Development Loans

<b>List of Assessment Areas and Type of Examination</b>			
<b>Assessment Area</b>	<b>MSA # /MD#</b>	<b>Type of Exam</b>	<b>Other Information (Reflects counties/parishes included in the MSAs, MDs or non-MSA areas)</b>
<b>Multistate MSAs and States</b>			
New York-Newark-Jersey City, NY-NJ-PA Multistate MSA (New York MMA AA)	35620	Full-Scope	In NY: Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, Westchester  In NJ: Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Ocean (1/1/14 to 7/23/16), Passaic, Somerset and Union
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multistate MSA (Philadelphia MMA AA)	37980	Full-Scope	In PA: Philadelphia In DE: New Castle
Washington-Arlington-Alexandria, DC-VA-MD-WV Multistate MSA (Washington, DC MMA AA)	47900	Full-Scope	District of Columbia  In MD: Calvert, Charles, Frederick, Prince George's, Montgomery  In VA: Arlington, Culpeper (1/1/14 to 4/24/15), Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania (1/1/14 to 7/23/16), Stafford, Alexandria City, Fairfax City, Falls Church City, Fredericksburg City (1/1/14 to 7/23/16), Manassas City, Manassas Park City
<b>CALIFORNIA</b>			
Los Angeles-Long Beach-Glendale, CA MD (Los Angeles AA)	31084	Full-Scope	Los Angeles
San Francisco-Redwood City-South San Francisco, CA MD (San Francisco AA)	41884	Limited-Scope	San Francisco

<b>CONNECTICUT</b>			
New Haven-Milford, CT MSA (New Haven AA)	35300	Full-Scope	New Haven
<b>DELAWARE</b>			
Salisbury, MD-DE MSA (Salisbury AA)	41540	Full-Scope	In DE: Sussex
<b>ILLINOIS</b>			
Chicago-Naperville-Arlington Heights, IL MD (Chicago AA)	16974	Full-Scope	Cook
<b>LOUISIANA</b>			
New Orleans-Metairie, LA MSA (New Orleans AA)	35380	Full-Scope	Jefferson, Orleans, St. Bernard, St. Charles, St. John the Baptist, St. Tammany
Shreveport-Bossier City, LA MSA (Shreveport AA)	43340	Full-Scope	Bossier, Caddo, De Soto, Webster
Alexandria, LA MSA (Alexandria AA)	10780	Limited-Scope	Rapides
Baton Rouge, LA MSA (Baton Rouge AA)	12940	Limited-Scope	Ascension, East Baton Rouge, Livingston, West Baton Rouge
Hammond, LA MSA (Hammond AA)	25220	Limited-Scope	Tangipahoa
Houma-Thibodaux, LA MSA (Houma AA)	26380	Limited-Scope	Lafourche, Terrebonne
Lafayette, LA MSA (Lafayette AA)	29180	Limited-Scope	Iberia, Lafayette, Vermilion
Lake Charles, LA MSA (Lake Charles AA)	29340	Limited-Scope	Calcasieu, Cameron
Monroe, LA MSA (Monroe AA)	33740	Limited-Scope	Ouachita
Louisiana non-MSA AA	99999	Limited-Scope	Allen, Assumption, Avoyelles, Claiborne, East Carroll, Jefferson Dais, Madison, Morehouse, St. Mary, Washington, West Carroll (1/1/14 to 10/16/15)
<b>MARYLAND</b>			
Baltimore-Columbia-Towson, MD MSA (Baltimore AA)	12580	Full-Scope	Anne Arundel, Baltimore, Carroll, Howard, Queen Anne's (1/1/14 to 10/17/15), Baltimore City
Hagerstown-Martinsburg, MD-WV MSA (Hagerstown AA)	25180	Limited-Scope	Washington (1/1/14 to 7/23/16)
California-Lexington Park, MD MSA (Lexington Park AA)	15680	Limited-Scope	St. Mary's (1/1/14 to 4/24/15)
Maryland non-MSA AA	99999	Limited-Scope	Talbot (1/1/14 to 10/17/15)
<b>MASSACHUSETTS</b>			
Boston-Cambridge-Newton, MA-NH MSA (Boston-Cambridge AA)	14460	Full-Scope	Essex (10/6/15 to 12/31/16), Middlesex (10/5/15 to 12/31/16), Norfolk (7/22/14 to 12/31/16), Plymouth (10/5/15 to 12/31/16), Suffolk (2/18/14 to 12/31/16)
Pittsfield, MA MSA (Pittsfield AA)	38340	Limited-Scope	Berkshire (10/14/15 to 12/31/16)

Providence-Warwick, RI-MA MSA (Providence AA)	39300	Limited-Scope	Bristol (10/5/15 to 12/31/16)
Springfield, MA MSA (Springfield AA)	44140	Limited-Scope	Hampden (10/13/15 to 12/31/16), Hampshire (10/13/15 to 12/31/16)
Worcester, MA-CT MSA (Worcester AA)	49340	Limited-Scope	Worcester (10/7/15 to 12/31/16)
MINNESOTA			
St. Cloud, MN MSA combined and Minneapolis-St. Paul-Bloomington, MN-WI MSA (St. Cloud AA)	41060/ 33460	Full-Scope	Benton, Stearns and Sherburne
NEW JERSEY			
Trenton, NJ MSA (Trenton AA)	45940	Full-Scope	Mercer (1/1/14 to 7/23/16)
TEXAS			
Dallas-Fort Worth-Arlington, TX MSA (Dallas-Fort Worth AA)	19100	Full-Scope	Collin, Dallas, Denton, Tarrant
Houston-The Woodlands-Sugar Land, TX MSA (Houston AA)	26420	Full-Scope	Austin, Brazoria (11/18/14 to 12/31/16), Fort Bend, Galveston, Harris, Montgomery
Austin-Round Rock, TX MSA (Austin AA)	12420	Limited-Scope	Hays (10/2/16 to 12/31/16), Travis, Williamson
Beaumont-Port Arthur, TX MSA (Beaumont AA)	13140	Limited-Scope	Jefferson, Orange
Brownsville-Harlingen, TX MSA (Brownsville AA)	15180	Limited-Scope	Cameron
Corpus Christi, TX MSA (Corpus Christi AA)	18580	Limited-Scope	Nueces (1/1/14 to 10/22/16)
Longview, TX MSA (Longview AA)	30980	Limited-Scope	Gregg
McAllen-Edinburg-Mission, TX MSA (McAllen AA)	32580	Limited-Scope	Hidalgo
San Antonio-New Braunfels, TX MSA (San Antonio AA)	41700	Limited-Scope	Bexar, Guadalupe
Texarkana, TX-AR MSA (Texarkana AA)	45500	Limited-Scope	Bowie
Tyler, TX MSA (Tyler AA)	46340	Limited-Scope	Smith
Victoria, TX MSA (Victoria AA)	47020	Limited-Scope	Victoria
Texas non-MSA AA	99999	Limited-Scope	Anderson, Angelina, Calhoun, Camp, Cass, Cherokee (1/1/14 to 10/22/16), Colorado, Fayette (1/1/14 to 10/22/16), Harrison, Lamar, Lee (1/1/14 to 10/22/16), Matagorda (1/1/14 to 10/22/16), Nacogdoches (1/1/14 to 10/21/16), Washington, Wharton, Wood
VIRGINIA			
Richmond, VA MSA (Richmond AA)	40060	Full-Scope	Chesterfield, Goochland, Henrico, Hanover (9/27/16 to 12/31/16),

			Colonial Heights City (10/4/16 to 12/31/16), Richmond City
Charlottesville, VA MSA (Charlottesville AA)	16820	Limited-Scope	Albemarle (1/1/14 to 7/22/16), Charlottesville City (1/1/14 to 7/22/16)

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS Capital One, N.A. (CONA)				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Capital One, N.A.	Outstanding	Outstanding	High Satisfactory	Outstanding
Multistate Metropolitan Area or State:				
New York-Newark-Jersey City, NY-NJ-PA Multistate MSA	Outstanding	Outstanding	High Satisfactory	Outstanding
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multistate MSA	Outstanding	Outstanding	High Satisfactory	Outstanding
Washington-Arlington-Alexandria, DC-VA-MD-WV Multistate MSA	Outstanding	Outstanding	Outstanding	Outstanding
California	Outstanding	Outstanding	Low Satisfactory	Outstanding
Connecticut	Outstanding	Outstanding	Low Satisfactory	Outstanding
Delaware	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Illinois	Outstanding	Outstanding	High Satisfactory	Outstanding
Louisiana	Outstanding	Outstanding	Outstanding	Outstanding
Maryland	Outstanding	Outstanding	High Satisfactory	Outstanding
Massachusetts	Outstanding	Outstanding	High Satisfactory	Outstanding
Minnesota	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
New Jersey	Outstanding	Outstanding	Low Satisfactory	Outstanding
Texas	Outstanding	Outstanding	High Satisfactory	Outstanding
Virginia	Outstanding	Outstanding	High Satisfactory	Outstanding

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

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

### New York-Newark-Jersey City, NY-NJ-PA Multistate Metropolitan Area

#### New York MMA AA

Demographic Information for Full Scope Area: New York MMA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	4,437	11.13	22.83	31.49	32.61	1.94
Population by Geography	18,462,416	11.50	23.68	30.06	34.57	0.18
Owner-Occupied Housing by Geography	3,473,397	2.40	13.66	35.18	48.76	0.00
Business by Geography	1,290,779	6.68	17.04	29.22	45.76	1.30
Farms by Geography	18,063	2.20	12.02	34.22	51.43	0.14
Family Distribution by Income Level	4,403,502	24.06	16.14	18.03	41.76	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	1,770,288	20.33	33.54	29.22	16.90	0.01
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		75,117 79,765 13%	Median Housing Value Unemployment Rate (December 2016)		\$484,457 4.2%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

The New York MMA AA consists of a portion of the New York-Newark-Jersey City, NY-NJ-PA MMA and includes the Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester counties in New York and Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, and Union counties in New Jersey. CONA excludes Dutchess, Putnam, and Orange counties in New York, Hunterdon and Sussex counties in New Jersey and Pike County in Pennsylvania because the bank does not have a deposit-taking presence there. In July 2016, CONA closed its two branches in Ocean County and exited this market. The bank had a limited presence and market share in Ocean County, and the county was being served by several other large financial institutions. The AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

New York City is the most significant contributor to this AA. New York City is a financial capital of the world and is home to a diversified mix of businesses, with multiple national and international corporations headquartered there. In addition to the city being a financial hub, New York City is a popular tourist attraction and destination for Broadway shows, sporting events, concerts, and much more. Historically, the financial services industry has dominated the downtown area, but according to Moody's Analytics, job growth in the financial sector has been stagnant since the recession. New York City has a strong international presence, with many migrating to the city annually. It has been a prime location for foreign investment in

commercial real estate and multifamily housing projects. Job growth in the AA has been fairly stable, with healthcare, tourism, and leisure leading. Most of the top banks and investment banks are in New York, as are major communications and entertainment conglomerates such as Time-Warner and CBS. The New York area is headquarters to major drug companies such as Pfizer, Merck and Bristol-Myers Squibb. Key employment sectors in the AA include healthcare, entertainment, business/professional services, trade and transportation, tourism, education and financial services. The largest employers in the AA include Northwell Health, JP Morgan Chase, Mount Sinai Medical Center, Macy's, and Citibank. Port Newark is the largest port on the East Coast and a key container shipping facility for the New York metropolitan area.

New York City's Quarterly Economic Update, dated February 2017 and published by New York City Comptroller's Office, Bureau of Budget, indicates the economy slowed towards the end of 2016. According to Moody's Analytics, gains in construction have come to a halt, labor force participation fell in 2016, and the financial services sector is showing some weaknesses. The housing market and price appreciation have slowed. Hospitals are still hiring and employment in leisure and hospitality are picking up.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the New York MMA AA was 4.2 percent as of December 31, 2016, slightly below the national average of 4.5 percent. The non-seasonally adjusted unemployment rate for the state of New York was 4.5 percent as of December 31, 2016. The Bronx has the highest unemployment rate in this AA at 6.1 percent. The unemployment rate in the MMA has steadily declined from 2014 through 2016.

Affordable housing for low-, moderate- and middle-income families is a significant need. According to the 2010 Census, the median housing value is \$484,457. Of the 3.4 million owner-occupied homes, only 2.4 percent are located in low-income geographies. Home ownership for LMI families in the New York MMA AA is difficult due to the high cost of living and high home purchase price. LMI families also have the challenge of accumulating a sufficient down payment. Consequently, most individuals in the New York MMA AA rent, resulting in a high volume of multifamily units. The 2016 FFIEC adjusted median family income for the New York MMA AA was \$79,765. Low-income families earn less than \$39,883, and moderate-income families earn less than \$63,812. There are significant disparities in the income levels throughout the counties that comprise the AA. The poverty level in the AA is 13 percent.

CONA operates 274 branches, including three branches located in geographies with no income designation, and 510 deposit-taking ATMs at 272 locations in the New York MMA. One of the ATMs, located in an upper-income geography, is used exclusively by Capital One associates. The bank originated or purchased 31.02 percent of its evaluation period lending in the New York MMA AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in this MMA totaled \$51.9 billion (excluding allocated Internet deposits), representing 24.99 percent of the bank's total domestic deposits. Retail banking competition in the New York MMA AA is significant. In terms of deposit market share, CONA ranks seventh out of 194 institutions with a 3.17 percent deposit market share in the New York MMA AA. JPMorgan Chase ranks first with a 33.56 percent of deposit market share, Bank of

New York Mellon ranks second with a 7.39 percent of deposit market share, Bank of America ranks third with a 7.37 percent of deposit market share, HSBC Bank USA ranks fourth with a 7.15 percent of deposit market share, and Citibank ranks fifth with a 7.05 percent of deposit market share.

CD opportunities within this AA are quite broad. There are numerous community development and governmental organizations representing affordable housing, economic development, and services to LMI individuals and families. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- affordable housing;
- multifamily lending is a great need in New York City, especially since it is a city with a very high rate of renters;
- rehabilitation of existing multifamily housing units that are not adequately maintained;
- more flexible mortgage products for LMI borrowers;
- innovative lending products for first time LMI borrowers;
- closing cost and down payment assistance;
- provide financial services in underserved areas, including fee free bank accounts, income tax preparation, and financial literacy to immigrants;
- tax credits for LMI families;
- affordable senior housing;
- provide loans and grants to organizations that directly benefit LMI individuals;
- financial education;
- small business development;
- technical assistance and access to credit for entrepreneurs, small businesses and microenterprises; and
- Capital and operational support to small businesses.

**Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multistate Metropolitan Area**

**Philadelphia MMA AA**

Demographic Information for Full Scope Area: Philadelphia MMA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	515	13.98	28.35	28.74	26.21	2.72
Population by Geography	2,064,485	13.18	30.20	30.40	25.76	0.46
Owner-Occupied Housing by Geography	459,301	8.44	27.08	34.36	30.10	0.01
Business by Geography	135,000	9.00	21.74	27.94	39.89	1.44
Farms by Geography	1,361	3.53	17.78	32.70	45.11	0.88
Family Distribution by Income Level	444,206	27.39	17.67	18.61	36.34	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	200,138	20.13	40.30	27.42	12.12	0.03
Median Family Income		\$58,650	Median Housing Value		\$184,639	
FFIEC Adjusted Median Family Income for 2016		\$60,290	Unemployment Rate (December 2016)		4.3%	
Households Below Poverty Level		20%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA’s Philadelphia MMA AA consists of a portion of the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMA and includes Philadelphia County in the Philadelphia MD and New Castle County in the Wilmington MD. It excludes the Camden, New Jersey MD, the Montgomery County-Bucks County-Chester County, Pennsylvania MD, Delaware County in the Philadelphia MD, and Cecil County, Maryland and Salem County, New Jersey in the Wilmington, DE-MD-NJ MD. CONA designated only those counties in the MMA where they have a deposit-taking presence. The AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

The principle economic and population center for the Philadelphia MMA AA is the city of Philadelphia. Philadelphia is one of the strongest economies in Pennsylvania. According to Moody’s Analytics, the labor market was strong, but cooled somewhat in late 2016. Healthcare and education are important drivers of the economy and are adding workers at twice the United States pace. The city’s leading industries include state and local government, health services, and higher education. Some of the Philadelphia’s largest employers are University of Pennsylvania, Thomas Jefferson University and Health System, Comcast, and The Children’s Hospital of Philadelphia. The housing market is booming in Philadelphia, with the fastest growth rate in the downtown area.

Within the state of Delaware, New Castle County is the most densely populated county, with the City of Wilmington having the largest concentration of the population. The financial services industry is a key economic driver. Other employment sectors are professional and

business services, retail trade, healthcare and local and state government. Major employers in the area include Christiana Care Health Systems, E.I. du Pont de Nemours Company, Bank of America, Wal-Mart Stores, Astra Zeneca Pharmaceuticals and the University of Delaware. Home values in New Castle County are beginning to rebound slowly and foreclosure inventories are at a more than four-year high.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Philadelphia MMA AA was 4.3 percent as of December 31, 2016, slightly below the national average of 4.5 percent. The unemployment rate was 7.0 percent as of January 2014.

According to the 2010 Census, the median housing value is \$184,639. Of the 459 thousand owner-occupied homes, 8.44 percent are located in low-income geographies. The 2016 FFIEC adjusted median family income for the Philadelphia MMA AA was \$60,290. Low-income families earn less than \$30,145, and moderate-income families earn less than \$48,232. The poverty level in the AA is 20 percent.

The banking environment in this AA is competitive. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, there are 64 depository institutions with branch operations within the Philadelphia MMA AA. TD Bank ranks second with a 23.14 percent deposit market share, Chase Bank, USA ranks third with a 17.44 percent deposit market share, and Barclays Bank ranks fourth with a 5.96 percent market share.

CONA's presence in this AA is limited to one café with two deposit-taking ATM in Philadelphia County, Pennsylvania and two deposit-taking ATMs in New Castle County, Delaware, one of which is used exclusively by Capital One associates. There are no licensed branches in the Philadelphia MMA AA. Based on the June 30, 2016 FDIC Summary of Deposits Market Share report, CONA has \$98.8 billion of deposits within the MMA, of which, \$97.1 billion do not represent customer deposits in the MMA. The \$97.1 billion, representing 46.71 percent of the bank's total domestic deposits, consists of Internet deposits that are assigned, for accounting purposes, to a processing facility in Wilmington, Delaware. For analysis purposes, the Internet deposits that were located in CONA's footprint were allocated to a specific AA, based on where the customer lives. The Internet deposits that were located outside of CONA's designated AAs were assigned to CONA's headquarters, which is located in the Washington, DC MMA AA. For analysis purposes, \$1.7 billion of Internet deposits originated from customers residing within the Philadelphia MMA AA and were allocated to this AA. Based on the bank's allocated deposits of \$1.7 billion, CONA would have a deposit market share of 0.69 percent and would rank 14<sup>th</sup> among 64 depository institutions in the MMA.

CD opportunities in the Philadelphia County portion of the MMA are broad. There are numerous CD and governmental organizations representing affordable housing, economic development, and services to LMI families. Through community contacts performed by the OCC and discussion with bank management, the following are identified needs in Philadelphia County:

- safe affordable housing for purchase or rent;
- financing for construction of new affordable housing units;
- financial support for CD organizations providing services to LMI individuals and families;

- targeted financial education, including home purchase counseling with special outreach to high-poverty neighborhoods;
- small business development; and
- support for entrepreneurship, small business, and microfinance.

The market for CD opportunities in Delaware is very challenging. Although there are multiple CD investment, loan, and service opportunities throughout New Castle County and the state of Delaware, the large number of financial institutions subject to CRA, including numerous limited purpose credit card banks, results in significant competition to participate in these opportunities. Over thirty financial institutions actively seek out and compete for community reinvestment opportunities, making it a very competitive environment for funding organizations and projects. As a result of current local economic conditions and limited funding, local governments are unable to sponsor substantial CD programs that encourage housing development. Through community contacts performed by the OCC and discussion with bank management, the following are identified needs in New Castle County:

- quality affordable homeownership;
- rental housing;
- funding to mitigate neighborhood blight;
- rehabilitation assistance for older homes;
- emergency property repair assistance;
- financial education and counseling services; and
- supportive services to assist in financial self-sufficiency.

## Washington-Arlington-Alexandria, DC-VA-MD-WV Multistate Metropolitan Area

### Washington, DC MMA AA

Demographic Information for Full Scope Area: Washington, DC MMA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,322	9.15	23.98	35.40	30.56	0.91
Population by Geography	5,477,063	8.30	23.29	36.78	31.44	0.19
Owner-Occupied Housing by Geography	1,303,810	3.66	18.74	40.55	37.05	0.00
Business by Geography	481,970	4.28	18.99	35.66	40.62	0.45
Farms by Geography	8,146	2.84	17.95	43.84	35.33	0.05
Family Distribution by Income Level	1,282,736	20.88	17.37	21.26	40.50	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	490,622	14.82	34.32	35.94	14.91	0.01
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$102,007 \$107,200 7%	Median Housing Value Unemployment Rate (December 2016)		\$437,867 3.5%	

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

Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA defined the portion of the Washington-Arlington-Alexandria, DC-VA-MD-WV MMA the bank can reasonably serve as its AA. The bank delineated a portion of the Washington-Arlington-Alexandria MD and the entire Silver Spring-Frederick-Rockville MD as its Washington, DC MMA AA. The bank excluded Clarke, Rappahannock and Warren counties in Virginia and Jefferson County in West Virginia from the Washington-Arlington-Alexandria MD because the bank does not have a deposit-taking presence in these counties. In April 2015, CONA made a business decision to close its branch in Culpeper, Virginia and exit this market. In July 2016, CONA made a business decision to close the two branches in Spotsylvania, Virginia and the one branch in Fredericksburg, Virginia and exit these markets. The impact of CONA's exit in these markets was minimal. CONA had a limited presence and market share in these areas, and the areas were being served by several other large financial institutions. The AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

The Washington, DC MMA AA has a diversified, stable economy, and one of the highest costs of living in the United States. The Washington, DC MMA AA is a popular tourist area, has an educated workforce, and is a major center for information technology. The presence of the federal government helps to create a relatively stable employment base for the region. Key sectors of the economy include government and government agencies, professional/business services, healthcare, and education. The Public Sector is the largest employer in the AA. Private employers include large healthcare providers such as Medstar and Inova and aerospace/defense contractors including Northrop Grumman, Science Applications

International, and Lockheed Martin. Other large private employers in the area include Booz Allen Hamilton, Marriott International, and Verizon.

Unemployment in the Washington, DC MMA AA has been lower than the national average. According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate in the Washington, DC MMA AA was 3.5 percent as of December 31, 2016, compared to the national average of 4.5 percent. The District of Columbia has the highest non-seasonally adjusted unemployment rate at 5.4 percent as of December 31, 2016. Overall, unemployment rates in the AA continue to decline, as job growth continues across most employment sectors.

According to the 2010 Census, the median housing value is \$437,867. Although housing prices continue to appreciate, prices have not reached pre-recession values. Of the 1.3 million owner-occupied housing units in the AA, only 3.66 percent are in low-income geographies. Affordable housing remains a challenge due to the high cost of living in the area and high home purchase price. LMI families also have the challenge of accumulating a sufficient down payment. The 2016 FFIEC adjusted median family income for 2016 was \$107,200. Low-income families earn less than \$53,600 and moderate-income families earn less than \$85,760. The poverty level in the AA is seven percent.

CONA operates 142 branches, including two branches located in geographies with no income designation, and 375 deposit-taking ATMs at 145 locations within the Washington, DC MMA AA. Three of the ATMs, located in upper-income geographies, are used exclusively by Capital One associates. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the MMA totaled \$25.7 billion (excluding allocated and unallocated Internet deposits), representing 12.35 percent of the bank's total domestic deposits. Retail banking competition in the Washington, DC MMA AA is significant. In terms of deposit market share, CONA ranks fourth out of 80 institutions with a deposit market share of 11.57 percent. E\*TRADE Bank ranks first with a 14.99 percent deposit market share, Wells Fargo ranks second with a 14.32 percent deposit market share, and Bank of America ranks third with a 13.66 percent deposit market share.

There are ample opportunities available for banks to address CD and credit needs in the area. The area is served by several CDFIs, CD entities, and nonprofit entities. During this evaluation, OCC representatives met with various CD organizations that support economic development, small business development, and affordable housing and community services targeted toward LMI individuals and families. Through our contacts with these organizations and our discussions with CONA management, some of the most critical community needs include:

- creation, preservation and rehabilitation of affordable housing (rental housing and revitalization);
- housing for special needs populations;
- housing and re-entry programs for individuals coming out of prison;
- loans for affordable housing construction and rehabilitation;
- operational support to housing related organizations;
- financial literacy regarding loan modifications and foreclosures;
- financial education;

- minority and women owned business development;
- small business loans;
- technical assistance and access to credit for small businesses and microenterprises;  
and
- funding for nonprofit entities.

## State of California

### Los Angeles AA

Demographic Information for Full Scope Area: Los Angeles AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,346	8.99	28.64	26.77	34.02	1.58
Population by Geography	9,818,605	8.01	29.43	28.26	33.92	0.39
Owner-Occupied Housing by Geography	1,552,091	2.13	16.61	28.64	52.61	0.01
Business by Geography	734,030	6.42	18.23	25.19	48.90	1.26
Farms by Geography	7,024	3.29	16.29	26.79	52.98	0.65
Family Distribution by Income Level	2,170,227	24.05	16.43	17.64	41.88	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	878,478	13.64	41.84	26.84	17.67	0.01
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$61,622 \$62,400 14%	Median Housing Value Unemployment Rate (December 2016)	\$526,439 4.4%		

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

Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA delineated the entire Los Angeles-Long Beach-Glendale, CA MD as its AA. It is comprised of Los Angeles County, and is a portion of the Los Angeles-Long Beach-Anaheim, MSA. CONA excluded the Anaheim-Santa Ana-Irvine, CA MD because CONA does not have a deposit-taking presence in that MD. The AA meets regulatory requirements and does not arbitrarily exclude any LMI areas.

Los Angeles County is located in southern California and covers 70 miles of coastline along the Pacific Ocean. It is a diverse urban area that includes more than 80 cities and a number of unincorporated areas. It is bordered by Ventura County, San Bernardino County, Orange County, and the Pacific Ocean. It is the most populous county in the state of California with more than 10 million residents as of 2016.

Los Angeles County has a diverse economic base. It is associated with the entertainment and digital media industry, and all six major film studios are located within the county. Los Angeles and Long Beach are home to the two busiest ports in the country. International trade is an important driver to the Los Angeles economy. In addition to the trade sectors, leading industries include government, professional/business services, health and education services, hospitality services, and manufacturing. Within the county, motion picture and video industries, financial services, and real estate are also major employment trades. Major employers include the University of California, Kaiser Permanente, Northrop Grumman Corporation, and Bank of America. Los Angeles County has several federal and state designations aimed at stimulating economic development including Renewal Community, Empowerment Zone, and Enterprise Zones.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate was 4.4 percent as of December 2016. The non-seasonally adjusted unemployment rate for the state of California was 5.0 percent.

Los Angeles is one of the most unaffordable cities in the United States. According to the 2010 Census, the median housing value is \$526,439. Of the 1.5 million owner-occupied housing units in the AA, only 2.13 percent are in low-income geographies. Affordable housing remains a significant challenge due to the high cost of living in the area and high home purchase price. LMI families also have the challenge of accumulating a sufficient down payment. Overall, high home prices force the majority of Los Angeles County residents to rent, and rents are high compared to incomes. The weighted average monthly gross rent was \$1,157 per month. The 2016 FFIEC adjusted median family income for 2016 was \$62,400. Low-income families earn less than \$31,200 and moderate-income families earn less than \$49,920. The poverty level in the AA is 14 percent.

CONA's presence is limited to two cafés and six deposit-taking ATMs. One of the Los Angeles cafés did not open until December 2016, nearing the end of the evaluation period. Four of the six deposit-taking ATMs are located in the newly opened café. There are no licensed branches. CONA considers this a digital market for purposes of distributing banking products and services. For analysis purposes, \$4.9 billion of Internet deposits originated from customers residing in the Los Angeles AA and were allocated to this AA. The banking environment in this AA is highly competitive. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, there are 108 depository institutions with branch operations in Los Angeles County. Bank of America is the number one institution in the county with 18.7 percent deposit market share, followed by Wells Fargo Bank and JPMorgan Chase with 14.47 percent and 10.97 percent deposit market share, respectively. There are numerous other institutions that do not collect deposits, but compete for loans in the Los Angeles AA, making it more difficult for banks to compete for loans than deposits.

CD opportunities within this AA are quite broad. There are numerous CD and governmental organizations representing affordable housing, economic development, and services to LMI individuals and families. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- affordable housing;
- assistance with acquisition and rehabilitation of rental properties for LMI;
- multifamily housing that can accommodate large families;
- flexible lending programs;
- financial services, particularly branches in the unbanked and under-banked communities within the AA;
- financial literacy training for individuals and families, including how to manage and reconcile a checking account, how bank fees work, and how to establish and use credit;
- financial literacy training for younger individuals;
- branches in LMI areas;
- construction loan financing;
- small business financing, including micro loans;

- technical assistance and education for small business owners or entrepreneurs regarding how to run a business (recordkeeping, accounting, taxes, and how to provide sufficient documentation for obtaining loans from a financial institution);
- financial support in the form of grants and loans to programs that assist the homeless;
- support for programs that help people meet basic day-to-day needs such as food, clothing, and shelter;
- grant funds for Community Development Financial Institutions to support their operations, provide technology to remain relevant in the changing market, and provide staff to efficiently and effectively distribute available funds; and
- access to credit, particularly for LMI individuals, that could be at risk for predatory lending.

## State of Connecticut

### New Haven AA

Demographic Information for Full Scope Area: New Haven AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	189	14.29	21.16	35.45	29.10	0.00
Population by Geography	862,477	11.07	21.98	35.57	31.38	0.00
Owner-Occupied Housing by Geography	216,131	3.46	16.65	40.50	39.39	0.00
Business by Geography	67,969	8.51	15.35	38.91	37.22	0.00
Farms by Geography	1,624	3.39	11.95	32.82	51.85	0.00
Family Distribution by Income Level	217,115	22.94	16.70	19.78	40.59	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	86,054	18.78	31.63	33.10	16.48	0.00
Median Family Income		\$77,379	Median Housing		\$272,790	
FFIEC Adjusted Median Family Income for 2016		\$81,000	Value		3.8%	
Households Below Poverty Level		11%	Unemployment Rate (December 2016)			

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

Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA has designated the entire New Haven-Milford MSA as its AA. The AA consists of New Haven County and is located in the south central part of the state. As of the 2010 census, New Haven County was the third-most populous county in Connecticut. Bridgeport, the state's largest city, is 21 miles southwest, and Hartford, the capital and economic center of the state, is 39 miles to the north. The AA meets regulatory requirements and does not arbitrarily exclude LMI areas.

Economic conditions remain generally positive in the AA. According to Moody's Analytics, Connecticut's high taxes and living costs are having an impact on population. Recent graduates are choosing to relocate to more vibrant economies out of state, resulting in a net migration loss to the AA. The area's core education and healthcare industries have had steady gains and remain the key economic drivers. Spurred by the tight labor market, wage growth is up significantly. The city has a significant population of very wealthy and very poor individuals, with Yale University providing a strong base for stability. Yale New Haven Health System, Yale University, Bozzuto's Inc. Covidien, and AT&T are the area's major employers.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the New Haven MSA fell to 3.8 percent as of December 31, 2016, below the national average of 4.5 percent.

Housing is more affordable in the New Haven area than much of the rest of the New York/New England region. The local housing prices have declined over the last three years, and the area's performance is among the worst in the country. The rising income improved affordability over the past three years. Above-average property taxes offset the affordability. According to the 2010 Census, the median housing value is \$272,790. Of the 216 thousand owner-occupied homes, 3.46 percent are located in low-income geographies. The 2016 FFIEC adjusted median family income for the New Haven AA was \$81 thousand. Low-income families earn less than \$41 thousand, and moderate-income families earn less than \$65 thousand. The poverty level in the AA is 11 percent.

As of June 30, 2016, the bank operated one branch and one deposit-taking ATM in the AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in this AA totaled \$160.4 million (excluding allocated Internet deposits), representing 0.08 percent of the bank's total domestic deposits. CONA ranks 16<sup>th</sup> out of 25 institutions with a 0.58 percent deposit market share. Major competitors with larger branch networks are Webster Bank, ranking first with a 36.3 percent deposit market share, Wells Fargo ranking second with a 12.98 percent deposit market share, and Bank of America ranking third with an 11.19 percent deposit market share.

There is an adequate level of CD opportunities within this AA. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- financing lines of credit for nonprofit organizations;
- loans to small businesses;
- first time homebuyer assistance;
- financing construction and rehabilitation of affordable housing;
- affordable rental housing;
- pre and post-purchase counseling;
- small business training;
- support for CD organizations that construct and service affordable housing programs;
- financial literacy; and
- CD related services for LMI individuals, youth, and families.

## State of Delaware

### Salisbury AA

Demographic Information for Full Scope Area: Salisbury AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	53	0.00	13.21	66.04	20.75	0.00
Population by Geography	197,145	0.00	14.77	73.16	12.07	0.00
Owner-Occupied Housing by Geography	60,623	0.00	11.84	73.46	14.70	0.00
Business by Geography	14,851	0.00	12.75	67.90	19.35	0.00
Farms by Geography	863	0.00	14.60	75.78	9.62	0.00
Family Distribution by Income Level	51,255	20.35	19.31	21.86	38.48	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	20,329	0.00	18.77	73.01	8.22	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$60,486 \$61,200 10%	Median Housing Value Unemployment Rate (December 2016)		\$317,846 6.2%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA has designated all of Sussex County, Delaware, which is a portion of the Salisbury, MD-DE MSA, as its AA. Somerset, Wicomico, and Worcester counties in Maryland were excluded because CONA does not have a deposit-taking presence in these counties. The AA meets regulatory requirements and does not arbitrarily exclude any LMI areas.

The county is in the southern part of the state on the Delmarva Peninsula. Much of Sussex County is considered rural. The major sources of employment throughout the AA include the agriculture and tourism industries. The western and southern sides of the county are the center of Delaware's agriculture industry. The county produces the most poultry of any county in the United States. Poultry prices have dipped while production expenses have increased. Perdue Farms is one of the largest employers. Additional agricultural and food processing entities within the AA include DuPont Company, Mountaire Farms, and Allen Harim Foods. Tourism also contributes a large part to the economy. The eastern portion of the county is home to most of Delaware's beaches on the Atlantic Coast and many seaside resorts. The presence of a strong tourism industry has resulted in hotels and restaurants serving as other major sources of employment. Other top employers in the AA include Beebe Medical Center, Delaware Technical & Community College, Invista, Merck Animal Health, NRG Energy, and Barcroft Company. Employment positions at the low end of the pay scale account for more than half of all employment in the metro area versus just more than one-third in the nation. The economies of the area's feeder markets (Baltimore, Philadelphia, and Washington, DC) are in solid shape.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Salisbury, MD-DE MSA was 6.2 percent as of December 31, 2016. This is higher than the national average of 4.5 percent.

According to the 2010 Census, the median housing value for Sussex County is \$317,846. The 2016 FFIEC adjusted median family income for the Salisbury, MD-DE MSA AA is \$61,200. Low-income families earn less than \$30,600 and moderate-income families earn less than \$48,960. The poverty level is 10 percent in this AA.

As of June 30, 2016, CONA operated one branch and two deposit-taking ATMs in the AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in this AA totaled \$69.8 million (excluding allocated Internet deposits), representing 0.03 percent of the bank's total domestic deposits. CONA ranks 11<sup>th</sup> out of 17 institutions with a 0.13 percent deposit market share. The dominant and primary competitors in this AA are Discover Bank with a 93.62 percent deposit market share, Manufactures and Traders Trust Company with a 1.62 percent deposit market share and PNC Bank with a 1.43 percent deposit market share.

There are limited CD opportunities within this AA. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- improved access to financial resources and grants for business and economic development organizations;
- affordable rental housing, including multifamily rental housing; and
- support for home repair and rehabilitation programs.

## State of Illinois

### Chicago AA

Demographic Information for Full Scope Area: Chicago AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,318	17.68	27.47	29.59	24.96	0.30
Population by Geography	5,194,675	12.91	28.54	32.67	25.88	0.00
Owner-Occupied Housing by Geography	1,169,991	6.03	22.44	37.86	33.67	0.00
Business by Geography	293,592	6.56	18.69	31.05	43.52	0.19
Farms by Geography	3,125	5.38	19.14	36.16	39.33	0.00
Family Distribution by Income Level	1,203,421	26.83	17.78	18.66	36.73	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	536,910	20.78	37.60	29.85	11.77	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$72,196 \$74,700 14%	Median Housing Value Unemployment Rate (December 2016)		\$291,818 5.1%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

The bank's delineated Chicago AA consists of Cook County within the Chicago-Naperville-Arlington Heights, IL MD, which is part of the larger Chicago-Naperville-Elgin, IL-IN-WI MMA. DuPage, Grundy, Kendall, McHenry and Will counties within the Chicago-Naperville-Arlington Heights, IL MD were excluded because CONA does not have a deposit-taking presence in these counties. CONA excluded the Elgin, IL MD, Gary, IN MD, and Lake County-Kenosha County, IL-WI MD because the bank does not have a deposit-taking presence in these MDs. The AA meets regulatory requirements and does not arbitrarily exclude LMI areas.

The county seat is Chicago, the largest city in Illinois and the third most populous city in the U.S. Cook County is the second most populous county in the U.S. More than 40 percent of all Illinois residents live in Cook County. According to the Skyscraper Source Media, 2015, the city is the second largest central business district in the United States, behind New York. As a transportation hub, the Federal Aviation Administration listed the Chicago O'Hare airport as one of the busiest airport in the United States. Chicago is coping with an uncertain fiscal future. According to a Moody's Analytics report, Chicago's financial woes are among the most severe nationally, driven by rising pension costs and declining state aid. Chicago Public Schools (CPS) are severely distressed and have trimmed spending. Chicago has a well-diversified economy. Key sectors of the economy include professional and business services, education and health services, and government. The county is the fourth largest employer in Chicago. Other major employers include the federal government, CPS, Advocate Health Care System, the University of Chicago, Walgreen Co., AT &T, and the City of Chicago.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Chicago-Naperville-Elgin, IL-IN-WI MMA was 5.1 percent, higher than the national average of 4.5.

According to the 2010 Census, the median housing value is \$291,818. Cook County also has one of the highest median property taxes in the U.S. The average yearly property tax paid by a Cook County resident amounts to nearly 5.1 percent of their yearly income. The 2016 FFIEC adjusted family income was \$74,700. Low-income families earn less than \$37,350 and moderate-income families earn less than \$59,760. The poverty level in the AA is 14 percent.

CONA's presence is limited to one café location with two deposit-taking ATMs located in an upper-income geography and an additional stand-alone deposit-taking ATM located in a middle-income geography that is used exclusively by Capital One associates and not accessible to the public. There are no licensed branches within the state of Illinois. For analysis purposes, \$2 billion of Internet deposits originated from customers residing in this AA and were allocated to this AA. According to the June 30, 2016 FDIC Summary of Deposit Market Share report, there are 124 depository institutions with branch operations in the AA. JPMorgan Chase ranks first with a 23.31 percent deposit market share, BMO Harris Bank ranks second with a 15 percent deposit market share, and Bank of America ranks third with a 13.12 percent deposit market share.

CD opportunities within this AA are quite broad. There are numerous community development and governmental organizations representing affordable housing, economic development, and services to LMI individuals and families. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- small business lending;
- SBA loans to small businesses;
- LMI multifamily acquisition and rehabilitation loans;
- investments in CDFIs that make loans for affordable housing or micro loans to small businesses, and service on CDFI boards or committees;
- small dollar consumer loans;
- credit-builder loans and second chance checking accounts;
- financial counseling and education programs;
- support for Volunteer Income Tax Assistance (VITA) programs;
- flexible lending programs; and
- affordable home refinancing programs.

## State of Louisiana

### New Orleans AA

Demographic Information for Full Scope Area: New Orleans AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	385	15.84	25.97	30.39	25.97	1.82
Population by Geography	1,144,722	8.57	23.27	38.46	29.43	0.27
Owner-Occupied Housing by Geography	265,081	4.48	17.89	41.88	35.74	0.00
Business by Geography	136,921	6.78	20.02	33.12	39.94	0.14
Farms by Geography	1,728	3.99	15.10	43.23	37.56	0.12
Family Distribution by Income Level	266,568	23.56	16.68	18.48	41.29	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	107,254	13.59	32.12	37.97	16.32	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$59,217 \$60,000 15%	Median Housing Value Unemployment Rate (December 2016)		\$192,503 4.8%	

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

Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA defines this AA to include a portion of the New Orleans-Metairie, LA MSA (New Orleans AA). CONA's New Orleans AA includes Jefferson, Orleans, St. Bernard, St. Charles, St. John the Baptist, and St. Tammany parishes. CONA excludes Plaquemines and St. James parishes from its AA because CONA does not have a deposit-taking presence in these counties. The AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

The New Orleans-Metairie MSA is the state of Louisiana's largest metropolitan area with a population of over 1.1 million people. At the center of the MSA is the city of New Orleans, the largest economic contributor to the New Orleans MSA. The city is a popular tourist attraction, drawing millions of people annually to the area for festivals and various events. In addition to tourism, the city of New Orleans is known for its port system. The Port of New Orleans is located at the mouth of the Mississippi River and allows for accessible exporting of farm and energy commodities.

In February 2015, the state of Louisiana went into a recession after oil and gas prices plummeted. According to Moody's Analytics, the New Orleans MSA withstood the recession better than other localities, due to its lower dependence on oil and gas. However, the New Orleans MSA felt the effects of the recession with job cuts in the refining and transportation/warehouse sector. The New Orleans AA experienced job growth over the last year in the healthcare sector as several local hospitals opened and the healthcare system continues to expand. Other major employment sectors in the New Orleans AA include education, leisure and hospitality, and local government. The largest employers in the New

Orleans AA are Ochsner Health Systems, Naval Air Station Joint Reserves Base New Orleans, LSU Health, Northrop Grumman, and Charity Hospital of Louisiana.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the New Orleans-Metairie MSA was 4.8 percent, which is slightly higher than the national unemployment rate of 4.5 percent.

According to the 2010 Census, the median housing value is \$192,503. The housing market in the New Orleans AA has kept pace with the rest of the nation, with year-over-year appreciation. Home affordability in the AA is becoming difficult as home prices continue to rise. Many properties in the AA require flood insurance, which adds an additional cost to homeownership and creates an additional affordability challenge for LMI borrowers. In the AA, 15 percent of households live below the poverty level. The FFIEC adjusted median family income for 2016 was \$60 thousand. Low-income families earned less than \$30 thousand and moderate-income families earned less than \$48 thousand.

CONA operates 42 branches and 124 deposit-taking ATMs at 51 locations in the New Orleans AA. CONA's deposits in this AA totaled \$9.3 billion (excluding allocated internet deposits), representing 4.47 percent of the bank's total domestic deposits. CONA ranks first out of 33 institutions with a 26.65 percent deposit market share, Whitney Bank ranks second with an 18.51 percent deposit market share, and JP Morgan Chase Bank ranks third with a 14.84 percent deposit market share.

CD opportunities within this AA are broad, but there is strong competition for these opportunities. There are numerous CD and governmental organizations representing affordable housing, economic development, and services to LMI individuals and families. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- first time home buyer counseling and programs;
- affordable housing;
- general financial counseling;
- continuing assistance for homeowners whose homes were lost or damaged due to natural disasters;
- small business development;
- technical assistance and access to credit for small businesses;
- financial education; and
- neighborhood revitalization.

**State of Louisiana**

**Shreveport AA**

Demographic Information for Full Scope Area: Shreveport AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	104	12.50	25.96	37.50	23.08	0.96
Population by Geography	439,811	7.29	23.34	40.69	28.68	0.00
Owner-Occupied Housing by Geography	109,802	4.12	18.23	42.73	34.92	0.00
Business by Geography	49,532	10.99	23.22	36.73	28.96	0.10
Farms by Geography	987	3.44	16.31	45.69	34.55	0.00
Family Distribution by Income Level	108,668	23.73	16.39	18.56	41.32	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	43,601	11.08	33.76	40.12	15.04	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$52,063 \$58,300 18%	Median Housing Value Unemployment Rate (December 2016)		\$108,824 5.7%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA delineated the entire Shreveport-Bossier City, LA MSA (Shreveport AA) as its AA. The AA includes Bossier, Caddo, De Soto, and Webster parishes. This AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

The Shreveport-Bossier City MSA has become one of the weakest metro areas in Louisiana over recent years. According to the Federal Reserve Bank of Dallas, the state of Louisiana slipped into a recession in 2015, following the oil and gas industry bust and sharp decline in prices. The Shreveport AA felt the direct impacts of this recession due to its high dependency on mining and extraction of natural gas. The decline in oil and gas eliminated hundreds of high-paying jobs in the area. In addition to oil and gas, other major sectors include health care, education, local government, and casinos. Most of these sectors have been able to withstand the economic downturn. However, casinos have begun to feel the impact of the recession, by cutting jobs. The largest employers in the Shreveport AA include Barksdale Air Force Base, LSU Health Science Board, Willis Knighton Health System, Christus Schumpert Health System, and Harrah’s Horseshoe Casino and Hotel.

According to the Bureau of Labor Statistics, the non-seasonal adjusted employment rate for the Shreveport MSA was 5.7 percent as of December 31, 2016. The unemployment rate in the Shreveport MSA was slightly higher than the state of Louisiana’s non-seasonally adjusted unemployment rate of 5.4 percent and national average non-seasonally adjusted unemployment rate of 4.5 percent. As noted above, the higher unemployment rate is attributed to the downturn in the oil and gas industry.

Housing values in the AA have continued to increase, despite the recession. According to the 2010 Census, the median housing value is \$108,824. The 2016 FFIEC adjusted median family income for the MSA is \$58,300. A low-income family earns less than \$29,150 and a moderate-family earns less than \$46,640. The poverty level in the AA is 18 percent.

CONA operates 13 branches and 41 deposit-taking ATMs at 13 locations in the Shreveport AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the AA totaled \$1.5 billion (excluding allocated Internet deposits), representing 0.73 percent of the bank's total domestic deposits. CONA ranks first out of 27 institutions with an 18.57 percent of deposit market share in the Shreveport AA. JP Morgan Chase Bank ranks second with a 15.93 percent deposit market share and Regions Bank ranks third with a 14.64 percent deposit market share.

There are limited CD opportunities within this AA. There are numerous CD and governmental organizations representing affordable housing, economic development, and services to LMI individuals and families. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- affordable housing rehabilitation for rental properties;
- funding to assist low-income homeowners with property repair and rehabilitation needs;
- down payment and closing cost assistance for LMI;
- flexible mortgage programs for LMI; and
- social service support programs to help people meet day to day living requirements.

## State of Maryland

### Baltimore AA

Demographic Information for Full Scope Area: Baltimore AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	624	15.87	22.12	32.05	28.37	1.60
Population by Geography	2,465,663	11.56	21.17	34.33	32.38	0.56
Owner-Occupied Housing by Geography	619,484	6.23	17.26	37.76	38.74	0.01
Business by Geography	175,684	7.39	14.11	36.73	41.54	0.23
Farms by Geography	3,757	2.08	7.11	40.30	50.52	0.00
Family Distribution by Income Level	600,905	22.06	17.40	20.57	39.97	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	237,094	20.44	29.81	32.55	17.20	0.00
Median Family Income		\$81,788	Median Housing Value		\$296,427	
FFIEC Adjusted Median Family Income for 2016		\$86,700	Unemployment Rate (December 2016)		4.0%	
Households Below Poverty Level		10%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA's Baltimore AA is a portion of the Baltimore-Columbia-Towson, MD MSA. The AA includes the independent city of Baltimore and Anne Arundel, Baltimore, Carroll, and Howard counties. CONA's AA included Queen Anne's County until October 2015, when the bank closed its only branch and exited the county. Harford County is excluded because CONA does not have a deposit-taking presence there. The AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

The economy in the Baltimore-Columbia-Towson, MD MSA has been growing. The area is a hub for cybersecurity and technology, well-established medical research centers, and has strong transportation and distribution industries. The federal government dominates employment in this AA. According to Moody's Analytics, Fort Meade is the largest employer in the AA and is home to the National Security Agency and U.S. Cyber Command. Government investment at Fort Meade has brought high-wage paying jobs to the area. Overall, the economy has experienced growth over the past years due to both federal and private investment. Other major employment sectors in the Baltimore AA include healthcare, education, and professional and business services. Other large employers in the AA include Johns Hopkins University, Aberdeen Proving Ground, University of Maryland, U.S. Social Security Administration, MedStar Health, and Black and Decker.

Although most counties in this AA have experience growth and expansion, Baltimore city has not been as fortunate. Baltimore city experienced crime and riots in mid-2015 that damaged or destroyed many businesses and other structures. Baltimore city has the highest

unemployment rate of all counties within this AA. It has been plagued with abandoned building, foreclosures, and families moving out of the city.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Baltimore-Columbia-Townson MSA was 4.0 percent as of December 31, 2016. The unemployment rate for the Baltimore-Columbia-Townson MSA was better than the national average non-seasonally adjusted unemployment rate of 4.5 percent and slightly above the state non-seasonally adjusted unemployment rate of 3.9 percent. However, the city of Baltimore has a higher non-seasonally adjusted unemployment rate of 5.8 percent, the highest in the AA.

According to the 2010 Census, the median housing value is \$296,427. Moody's Analytics notes the supply of available housing in the AA is limited. Affordable housing in the Baltimore AA is difficult due to rising home prices. Additionally, individuals living in this AA find it difficult to maintain their homes, as there are numerous foreclosed and bank owned properties throughout the AA. The 2016 FFIEC adjusted median family income was \$86,700. Low-income families earn less than \$43,350 and moderate-income families earn less than \$69,360. The poverty level in the AA is 10 percent. In Baltimore city, the poverty level is much higher, at over 20 percent.

CONA operates 17 branches and 41 deposit-taking ATMs at 18 locations in the Baltimore AA. Based on the June 30, 2016 FDIC Deposit Market Share Report, CONA's deposits in the AA totaled \$1.2 billion (excluding allocated Internet deposits), representing 0.57 percent of the bank's total domestic deposits. Based on the June 30, 2016 Summary of Deposit Market Share report, CONA ranks seventh with a 1.79 percent deposit market share. Bank of America ranks first with a 27.89 percent deposit market share, Manufacturers and Traders Trust Company ranks second with a 22.60 percent deposit market share, PNC Bank ranks third with a 10.35 percent deposit market share.

CD opportunities within this AA are quite broad. There are numerous CD and governmental organizations representing affordable housing, economic development, and services to LMI individuals and families. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- financing and assistance for revitalization projects in LMI areas;
- grant funding for programs benefiting LMI residences;
- financial education, counseling, and debt management information for LMI individuals;
- provide capital to small businesses;
- affordable saving products and tools;
- financial support to CDFIs; and
- small business training programs as well as financial education tailored to small businesses.

## Commonwealth of Massachusetts

### Boston-Cambridge AA

Demographic Information for Full Scope Area: Boston-Cambridge AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	916	11.35	18.89	38.54	29.48	1.75
Population by Geography	4,134,036	9.48	18.38	41.45	30.60	0.09
Owner-Occupied Housing by Geography	974,260	3.38	13.14	46.68	36.79	0.01
Business by Geography	324,526	6.61	12.96	39.31	40.91	0.21
Farms by Geography	5,737	2.07	8.87	48.41	40.65	0.00
Family Distribution by Income Level	987,333	22.49	16.39	20.32	40.80	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	383,915	16.45	26.26	39.83	17.46	0.01
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$87,319 \$94,896 11%	Median Housing Value Unemployment Rate (December 2016)		\$419,110 2.5%	

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

Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA's Boston-Cambridge AA consists of the Boston, MA and the Cambridge-Newton-Framingham, MA MDs in their entirety. These MDs are part of the larger Boston-Cambridge-Newton, MA-NH MMA. CONA excluded the Rockingham County-Strafford County, NH MD because CONA does not have a deposit-taking presence in this MD. The AA meets regulatory requirements and does not arbitrarily exclude LMI areas.

Boston is the capital of Massachusetts and the most populous city in New England. Over 80 percent of Massachusetts' population lives in the Greater Boston metropolitan region. According to Moody's Analytics, the Boston-Cambridge area's economy is solid and job growth is ahead of the national average and twice the regional average. The area is a global leader in healthcare, biotechnology, engineering, higher education, finance, and maritime trade. Harvard University, the oldest higher education institution in the U.S. is located here, along with the Massachusetts Institute of Technology. Partners Healthcare, founded by Brigham and Women's Hospital and Massachusetts General Hospital, employ over 67 thousand people. The University of Massachusetts, Steward Healthcare, Beth Israel Deaconess Medical Center, and State Street Corporation are other major employers.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate was 2.5 percent, lower than the national average of 4.5 percent. The local unemployment rate, nearly two percent below the national rate, indicates a tight labor market.

The housing market is strong and home prices are rising. Low inventory and steady consumer demand are contributing factors to the price increase. According to the 2010 Census, the

median housing value is \$419,110. The 2016 FFIEC adjusted median family income for the AA was \$94,896. Low-income families earn less than \$47,448 and moderate-income families earn less than \$75,917. The poverty level in the AA is 11 percent.

CONA has a limited presence in the Boston-Cambridge AA. There are five cafés and 36 deposit-taking ATMs at 32 locations within the AA. For analysis purposes, \$4.4 billion of Internet deposits originated from customers residing in this AA and were allocated to this AA. Based on the June 30, 2016 FDIC Deposit Market Share Report, there are 127 depository institutions in the AA. State Street Bank and Trust ranks first with a 30.84 percent deposit market share. Major competitors with substantial branch networks include Bank of America, Citizens Bank, and Santander Bank with deposit market shares of 20.27, 9.55, and 4.98 percent, respectively.

CD opportunities within this AA are quite broad. There are numerous CD and governmental organizations representing affordable housing, economic development, and services to LMI individuals and families. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- safe affordable rental housing;
- financial literacy programs;
- support for entrepreneurship, small businesses, and microfinance via access to capital;
- nonprofit support via funding and provision of skilled board and staff volunteers; and
- funding for basics such as food and utilities.

**State of Minnesota**

**St. Cloud AA**

Demographic Information for Full Scope Area: St. Cloud AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	49	0.00	14.29	77.55	8.16	0.00
Population by Geography	277,592	0.00	13.97	78.37	7.65	0.00
Owner-Occupied Housing by Geography	76,630	0.00	9.71	83.25	7.04	0.00
Business by Geography	19,936	0.00	13.74	78.26	8.01	0.00
Farms by Geography	2,162	0.00	10.27	87.65	2.08	0.00
Family Distribution by Income Level	68,923	17.74	17.94	27.23	37.08	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	24,594	0.00	16.17	80.22	3.61	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$78,626 \$84,549 11%	Median Housing Value Unemployment Rate St. Cloud (December 2016) Unemployment Rate –Minneapolis (December 2016)		\$190,945 4.2% 3.6%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA delineated Stearns and Benton counties in the St. Cloud, MN MSA and Sherburne County in the Minneapolis-St. Paul-Bloomington, MN-WI MSA as its AA. These MSAs are part of the Minneapolis-St. Paul MN-WI Combined Statistical Area (Minneapolis CSA). Because the geographic characteristics of the three counties are similar, the location of the café is central to all three counties, and all three counties are within the Minneapolis CSA, the three county area is being considered as a single AA. The bank excluded all the counties, except Sherburne County, in the Minneapolis-St. Paul-Bloomington, MN-WI MSA because CONA does not have a deposit-taking presence in the Minneapolis-St. Paul-Bloomington, MN-WI MSA. The AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

According to Moody’s Analytics, the economy in both the St. Cloud and Minneapolis areas has been improving and has entered a self-sustaining expansion. Major industries in St. Cloud include health services, government and retail trade. The largest employers in St. Cloud are the CentraCare Health System, St. Cloud VA Health Care System, Electrolux Home Products, GNP Company, and Capital One. Major industries in the Minneapolis area include education, health care, retail trade, government and banking. The largest employers in the Minneapolis area are Target Corporation, Allina Health System, University of Minnesota, HealthPartners, Fairview Health System, and Wells Fargo.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for St. Cloud, MN MSA was 4.2 percent as of December 31, 2016 and the non-seasonally adjusted unemployment rate for the Minneapolis-St. Paul-Bloomington, MN-WI MSA was 3.6 percent as of December 31, 2016. The national average unemployment rate was 4.5 percent as of December 31, 2016.

Based on the 2010 Census, the median single-family housing value for the three counties was \$190,945. The 2016 FFIEC adjusted median family income for the three counties was \$84,549. Low-income families earn less than \$42,275 and moderate-income families earn less than \$67,639. The poverty level is 11 percent.

CONA has a limited presence in this AA. There is one café with two deposit-taking ATMs located in St. Cloud. There are no licensed branches within the state of Minnesota. For analysis purposes, \$161 million of Internet deposits originated from customers residing in this AA and were allocated to this AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, there are 39 institutions with branch operations in the state of Minnesota. Stearns Bank ranks first with a 19.08 percent deposit market share, Wells Fargo ranks second with a 10.62 percent deposit market share and Bremer Bank ranks third with a 10.21 percent deposit market share.

CD opportunities within this AA are limited. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- gap financing and down payment assistance for homebuyers;
- support for housing rehabilitation programs; and
- alternative financing for Somali residents.

## State of New Jersey

### Trenton AA

Demographic Information for Full Scope Area: Trenton AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	77	19.48	18.18	29.87	31.17	1.30
Population by Geography	366,513	13.57	16.01	31.90	38.00	0.52
Owner-Occupied Housing by Geography	87,700	6.87	14.10	36.68	42.35	0.00
Business by Geography	23,786	11.09	10.41	29.73	48.77	0.00
Farms by Geography	565	4.78	12.21	30.27	52.74	0.00
Family Distribution by Income Level	87,385	22.84	16.80	19.15	41.20	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	34,641	24.56	22.86	29.21	23.37	0.00
Median Family Income		\$88,694	Median Housing Value		\$325,552	
FFIEC Adjusted Median Family Income for 2016		\$93,000	Unemployment Rate (December 2016)		3.5%	
Households Below Poverty Level		10%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

CONA designated the entire Trenton MSA, which consists of Mercer County, as its AA. The bank closed its only branch and exited this AA in July 2016. The AA met regulatory requirements and did not arbitrarily exclude LMI areas.

According to Moody’s Analytics, Trenton’s economy has been strong, but is exhibiting some slowing and fatigue as a result of weakened gains in financial services and business/professional services. With the state capital being Trenton, government (federal, state, or local) is the largest employment sector. Jobs in education, health, and social services are the next largest sector. Princeton University, Merrill Lynch, and Bristol-Myers Squibb are the largest employers in the AA. Most of those who live in Mercer County either work in Trenton or Princeton or commute to other parts of the state or into New York City or Philadelphia.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Trenton MSA was 3.5 percent as of December 31, 2016, lower than the national average of 4.5 percent.

Housing prices have shown some decline over the past three years. According to the 2010 Census, the median housing value is \$325,552. Foreclosure inventories in the AA are four times the national average and continue to place pressure on home values.

Mercer County is an area of stark contrasts by income, with wealthy suburbs that drive the high median income and high cost of living and much less affluent cities, including high poverty

in the Trenton area. Very high property tax rates contribute to the affordability crisis in Trenton. The 2016 FFIEC adjusted median family income for the Trenton MSA was \$93 thousand. Low-income families earn less than \$47 thousand and moderate-income families earn less than \$74 thousand. The poverty level in the AA is 10 percent.

As of June 30, 2016, the bank operated one branch in the AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the AA totaled \$47.5 million (excluding allocated Internet deposits), representing 0.02 percent of the bank's total domestic deposits. CONA ranks 22<sup>nd</sup> out of 27 institutions with a 0.31 percent deposit market share. Major competitors with larger branch networks are Bank of America ranks first with a 22.14 percent deposit market share, Wells Fargo Bank ranks second with a 14.04 percent deposit share, and PNC Bank ranks third with a 13.94 percent deposit market share.

CD opportunities within this AA are numerous, but there is strong competition for these CD opportunities. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- affordable permanent housing;
- home improvement loans;
- supportive programs focused on job training and social services;
- financial literacy regarding loan modifications and foreclosures;
- assistance to homeowners in foreclosure; and
- promote and support VITA sites and provide volunteers to assist with tax preparation.

## State of Texas

### Dallas-Fort Worth AA

Demographic Information for Full Scope Area: Dallas-Fort Worth AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,175	12.09	26.04	27.83	33.70	0.34
Population by Geography	5,622,128	10.36	25.54	29.29	34.81	0.00
Owner-Occupied Housing by Geography	1,194,159	5.00	19.73	30.93	44.34	0.00
Business by Geography	508,985	7.20	18.92	27.36	46.30	0.22
Farms by Geography	9,315	5.28	18.15	32.18	44.33	0.05
Family Distribution by Income Level	1,338,637	22.85	16.75	18.33	42.06	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	530,151	18.35	37.57	28.51	15.57	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		\$66,466 \$70,926 12%	Median Housing Value Unemployment Rate (December 2016)		\$167,805 3.7%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

The Dallas-Fort Worth AA consists of a portion of the Dallas-Fort Worth-Arlington, TX MSA and includes Collin, Dallas and Denton counties within the Dallas-Plano-Irving, TX MD and Tarrant County within the Fort Worth-Arlington, TX MD. CONA excludes Ellis, Hunt, Kaufman, Rockwall, Hood, Johnson, Parker, Somervell, and Wise counties because the bank does not have a deposit-taking presence in those counties. The AA meets the legal requirements and does not arbitrarily exclude any LMI geographies.

With its central location in the Southwest, the Dallas-Fort Worth area is attractive for doing business and supporting distribution operations. The Dallas-Fort Worth International Airport is one of the largest and busiest airports. Large public companies such as Exxon Mobile, AT&T, and Southwest Airlines have headquarters in this MSA. According to Moody's Analytics, job growth in the Dallas area has been rapid in the professional and business service sectors, as companies relocate headquarters and regional offices to the Dallas-Fort Worth AA. The relocation of Toyota's North American headquarters to Plano will further boost the area economy, as several thousand workers will be relocating from California, Kentucky, and New York. Liberty Mutual is now constructing a new regional operations center that will house several thousand new employees, when completed in 2017. The largest employers in the Dallas area are Wal-Mart Stores, Bank of America, Carlson Restaurants, Texas Health Resources and Baylor Health Care System. The Fort Worth area is also accelerating and advancing at a solid pace. In this area, aircraft manufacturing will provide growth. Sales of Lockheed's F-35 have increased and purchases are expected to continue to increase over the next several years. The largest employers in the Fort Worth area are American Airlines, Lockheed Martin, Fort Worth ISD, Texas Health Resources and NAS – Fort Worth – JRB.

The unemployment rate in the Dallas-Fort Worth MSA has historically been lower than the state and national averages. According to the Bureau of Labor Statistics, the non-seasonal unadjusted unemployment rate for the Dallas-Fort Worth MSA was 3.7 percent as of December 2016, compared to the national average of 4.5 percent.

According to the 2010 Census, the median housing value is \$167,805. The Dallas-Fort Worth AA has experienced year-over-year home price appreciation. Housing affordability in the AA is becoming difficult, due to increasing home prices. Moody's Analytics notes home prices in the Fort Worth-Arlington MD are lower than home prices in Dallas-Plano-Irving MD. The 2016 FFIEC median family income in the Dallas-Fort Worth MSA was \$70,926. Low-income families earn less than \$35,463 and moderate-income families earn less than \$56,741.

CONA operates 36 branches and 76 deposit-taking ATMs at 39 locations in the Dallas-Fort Worth MSA. Two of the ATMs, both located in upper-income geographies, are used exclusively by Capital One associates. Based on the June 30, 2016 FDIC Summary of Deposit Market Shares, CONA's deposits in this AA totaled \$2.8 billion (excluding allocated Internet deposits), representing 1.36 percent of the bank's total domestic deposits. CONA ranks twelfth out of 141 institutions with a 1.20 percent of deposit market share in the Dallas Fort-Worth AA. Bank of America ranks first a 30.12 percent of deposit market share, JP Morgan Chase ranks second with 22.35 percent of deposit market share, Wells Fargo ranks third with a 7.99 percent of deposit market share, Texas Capital Bank ranks fourth with a 5.57 percent deposit market share, and Compass Bank ranks fifth with a 4.26 percent market share.

There are several opportunities available for banks to address CD and credit needs in the area. During the evaluation period, OCC representatives met with CD organizations that support affordable housing and minority business development. Through our contacts with these organizations, some of the most critical community needs include:

- financing LMI affordable housing, such as first time home buyers program;
- financial literacy programs on bank program and mortgages;
- home buyer training sessions;
- grants, gap funding, or donations for organizations that provide affordable housing services;
- working capital for small businesses; and
- flexible mortgage products for customers working to improve their credit.

**State of Texas**

**Houston AA**

Demographic Information for Full Scope Area: Houston AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,043	12.46	28.48	26.56	32.12	0.38
Population by Geography	5,766,472	9.52	25.82	28.43	35.93	0.29
Owner-Occupied Housing by Geography	1,201,918	4.13	20.72	29.74	45.41	0.00
Business by Geography	478,705	8.08	19.32	24.84	47.69	0.07
Farms by Geography	8,315	4.76	16.57	32.87	45.80	0.00
Family Distribution by Income Level	1,356,064	23.68	16.47	17.50	42.36	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	544,413	17.24	38.02	27.39	17.35	0.00
Median Family Income		\$63,898	Median Housing Value		\$156,897	
FFIEC Adjusted Median Family Income for 2016		\$68,000	Unemployment Rate (December 2016)		5.3%	
Households Below Poverty Level		13%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

The Houston AA consists of a portion of the Houston-The Woodlands-Sugar Land, TX MSA and includes Austin, Brazoria, Fort Bend, Galveston, Harris, and Montgomery counties. CONA excludes Chambers, Liberty, and Waller counties because the bank does not have a deposit-taking presence in those counties. The AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

The city of Houston is the county seat and the largest city in Texas. The port of Houston is one of the region’s assets and is one of the largest ports in international tonnage. Houston has a high concentration of energy firms. As a result of this high concentration, movements in the price of oil and natural gas greatly affect the economy of the AA. Houston’s economy has been adversely impacted by the oil and energy sector over the past two years and remains weak. In early 2014, the Houston AA experienced growth, as oil prices and drilling reached new highs. However, growth and expansion came to a halt in mid-2014 as oil prices rapidly declined. As a result, numerous oil and energy companies cut production, filed for bankruptcy, and cut jobs. According to the Greater Houston Partnership, from December 2014 through December 2016, the oil and energy sector cut over 81 thousand jobs. The AA did experience some growth in non-energy sector jobs, such as personal services and local governments. However, these are lower paying jobs. The largest employers in the area include University of Texas MD Anderson Cancer Center, Insperty, H-E-B, National Oilwell Varco, and Memorial Herman Healthcare Systems.

The unemployment rate in the Houston, TX MSA has steadily increased from 2014 through 2016. According to the Bureau of Labor Statics, the non-seasonally adjusted employment rate

for the Houston MSA was 5.3 percent as of December 2016. This was higher than both the national and state average of 4.5 percent. The increased unemployment rate in the Houston AA is a result of the declining oil and energy sector. As noted above, the largest declines in employment have been in the oil and energy sector, as well as jobs indirectly related to those sectors. Unemployment in the AA is expected to increase, as more oil and energy related companies continue to cut jobs.

Housing values in the AA increased despite the downturn in the economy. According to the 2010 Census, the median housing value is \$156,897. Homeownership in the AA has been affordable due to higher paying jobs and wages from the energy sector. However, with energy sector job cuts, homeownership maybe difficult, as jobs being created are in sectors that pay lower wages. Additionally, the Houston AA has a significant portion of renters, as most mining workers rent rather than own homes. The FFIEC adjusted median family income for 2016 was \$68 thousand. Low-income families earned less than \$34 thousand and moderate-income families earned less than \$54 thousand. The poverty level in the AA was 13 percent.

CONA operates 41 branches and 77 deposit-taking ATMs at 42 locations in the Houston AA. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the AA totaled \$4.6 billion (excluding allocated Internet deposits), representing 2.21 percent of the bank's total domestic deposits. CONA ranks seventh out of 97 institutions with a 2.12 percent deposit market share in the Houston AA. JP Morgan Chase ranks first with a 38.40 percent deposit market share, Wells Fargo ranks second with an 11.46 percent deposit market share, Bank of America ranks third with a 9.44 percent market share, Compass Bank ranks fourth with a 6.75 percent deposit market share, and ZB National Association ranks fifth with a 4.49 percent deposit market share.

There are various CD opportunities within this AA. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- affordable housing for LMI individuals;
- vocational education support;
- financial literacy education;
- workforce development programs;
- small business support with technical and funding assistance; and
- rehabilitation or renovation of housing.

## Commonwealth of Virginia

### Richmond AA

Demographic Information for Full Scope Area: Richmond AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	206	10.68	24.27	31.55	33.01	0.49
Population by Geography	849,102	8.69	21.58	32.28	37.45	0.00
Owner-Occupied Housing by Geography	213,336	4.22	16.19	35.57	44.02	0.00
Business by Geography	78,344	5.53	20.71	31.92	41.71	0.13
Farms by Geography	1,561	3.01	15.50	35.55	45.93	0.00
Family Distribution by Income Level	208,462	20.74	17.32	20.44	41.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	79,359	16.27	32.07	32.98	18.68	0.00
Median Family Income		\$71,605	Median Housing Value		\$239,443	
FFIEC Adjusted Median Family Income for 2016		\$72,400	Unemployment Rate (December 2016)		3.9%	
Households Below Poverty Level		11%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census, 2016 FFIEC updated MFI, and Bureau of Labor Statistics

The Richmond AA consists of a portion of the Richmond, VA MSA and includes Chesterfield, Goochland, Henrico, Hanover (9/27/16 to 12/31/16), Colonial Heights city (10/4/16 to 12/31/16), and Richmond city. CONA excludes the counties of Amelia, Caroline, Charles City, Dinwiddie, King William, New Kent, Powhatan, Prince George, Sussex, and the cities of Hopewell and Petersburg because CONA does not have a deposit-taking presence there. The AA meets the legal requirements and does not arbitrarily exclude any LMI areas.

According to Moody's Analytics, Richmond is advancing at its slowest pace since the recession. Expectations for larger military spending could spur hiring by defense contractors. The Virginia Bio Technology Research Park has emerged as one of the leading research facilities in the Mid-Atlantic. Virginia Commonwealth University ranks among the top 200 universities in the country in sponsored research. However, the region is not dependent on a single industry. Key sectors of the economy include professional and business services, government, and education and health services. Major employers in the Richmond MSA include Capital One, Fort Lee, VCU Health System, HCA Incorporated, and Bon Secours Richmond Health System.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the Richmond MSA was 3.9 percent, lower than the national average of 4.5 percent.

According to the 2010 Census, the median housing value is \$239,443. The 2016 FFIEC adjusted median family income for the AA was \$72,400. Low-income families earn less than

\$36,200 and moderate-income families earn less than \$57,920. The poverty level in the AA is 11 percent.

At the end of the evaluation period, CONA operates one branch and two cafés in the Richmond AA, all in MUI geographies. The Short Pump café was opened in December 2016 and is the only facility accessible to the public. The branch and West Creek café primarily serve CONA associates and are not accessible to the public. CONA has 25 deposit-taking ATMs in 21 locations, including five deposit-taking ATMs that are used exclusively by Capital One associates. Based on the June 30, 2016 FDIC Summary of Deposit Market Share report, CONA's deposits in the AA total \$214 million (excluding allocated Internet deposits), representing 0.10 percent of the bank's total domestic deposits. In terms of deposit market share, CONA ranks fifteenth out of 35 institutions with a 0.23 percent deposit market share. Capital One Bank (USA) ranks first with a 65.91 percent deposit market share, Bank of America ranks second with a 12.94 percent deposit market share, and Wells Fargo ranks third with a 6.88 percent deposit market share.

CD opportunities are available in this AA. Through community contacts performed by the OCC and discussions with bank management, the following are identified needs in the AA:

- affordable housing for LMI households, including special needs populations;
- housing rehabilitation assistance;
- community services for the homeless population;
- revitalization of blighted and commercial areas;
- job training for unemployed and underemployed population;
- programs to stimulate small business and job retention and creation;
- housing counseling and financial literacy education; and
- funding for CD programs.

## 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 areas 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 as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are completed 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 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the

bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business 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 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because 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 8. Borrower Distribution of Home Purchase Loans** - 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated

and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table 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 within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Tables of Performance Data**

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**New York-Newark-Jersey City, NY-NJ-PA MMA**

Table 1. Lending Volume

LENDING VOLUME		Geography: NEW YORK MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
New York MMA AA	100.00	5,160	4,712,083	156,738	3,355,048	78	1,876	401	3,592,994	162,377	11,662,001	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: NEW YORK MMA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
New York MMA AA	0	0	39	646,422	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: NEW YORK MMA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New York MMA AA	2,412	100.00	2.40	2.90	13.66	16.46	35.18	39.47	48.77	41.17	2.79	13.57	32.80	50.84

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT														Geography: NEW YORK MMA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp			
<b>Full Review:</b>																	
New York MMA AA	830	100.00	2.40	2.05	13.66	17.71	35.18	39.88	48.77	40.36	2.28	11.23	34.00	52.48			

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NEW YORK MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans*** *	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
New York MMA AA	1,619	100.00	2.40	2.22	13.66	15.38	35.18	38.30	48.77	44.10	2.34	11.14	30.82	55.70	

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: NEW YORK MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units**	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New York MMA AA	297	100.00	19.20	18.18	28.69	38.38	20.90	18.18	31.21	25.25	17.08	34.13	21.72	27.07

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: NEW YORK MMA				E valuation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
New York MMA AA	155,494	100.00	6.68	7.50	17.04	20.43	29.22	35.13	45.76	36.94	7.22	17.77	28.61	46.40					

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: NEW YORK MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*			
	#	% of Total**	% of Farms*	% BANK Loans**	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New York MMA AA	77	100.00	2.20	9.09	12.02	15.58	34.22	37.66	51.43	37.66	2.50	12.75	24.25	60.50

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: NEW YORK MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New York MMA AA	2,412	100.00	24.06	9.43	16.14	23.46	18.03	25.83	41.76	41.28	3.09	14.13	22.93	59.85

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.66% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: NEW YORK MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New York MMA AA	831	100.00	24.06	8.44	16.14	20.65	18.03	23.80	41.76	47.10	4.99	12.66	21.38	60.98

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.45% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: NEW YORK MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New York MMA AA	1,619	100.00	24.06	13.47	16.14	19.99	18.03	20.86	41.76	45.69	3.86	10.62	20.92	64.61

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.49% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NEW YORK MMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
New York MMA AA	156,738	100.00	78.17	55.61	97.42	1.38	1.20	511,481	251,715

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 34.33% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NEW YORK MMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate percentage of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
New York MMA AA	78	100.00	95.96	47.44	96.15	2.56	1.28	412	160

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 37.18% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: NEW YORK MMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
New York MMA AA	99	532,650	568	490,231	667	1,022,881	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: NEW YORK MMA							
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography**			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
New York MMA AA	100.00	271	100.00	4.80	19.56	40.59	35.06	6	58	- 1	- 7	- 20	- 24	11.72	23.90	29.83	34.35

\*Three branches in the New York MMA AA are not reflected on the table because they are located in a geography that has not been assigned an income level.

\*\*Reflects the population data for the AA in effect as of December 31, 2016.

**Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MMA**

Table 1. Lending Volume

LENDING VOLUME		Geography: PHILADELPHIA MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Philadelphia MMA AA	100.00	515	465,292	7,558	57,410	5	59	21	303,362	8,099	826,123	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: PHILADELPHIA MMA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area (2016):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Philadelphia MMA AA	0	0	1	224	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: PHILADELPHIA MMA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Philadelphia MMA AA	211	100.00	8.44	20.85	27.09	28.44	34.36	20.38	30.11	30.33	4.57	23.53	35.29	36.61

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: PHILADELPHIA MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Philadelphia MMA AA	48	100.00	8.44	6.25	27.09	10.42	34.36	37.50	30.11	45.83	7.82	24.18	35.30	32.70

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: PHILADELPHIA MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					The aggregate HMDA Lending (%) by Tract Income*			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans				
<b>Full Review:</b>														
Philadelphia MMA AA	239	100.00	8.44	5.86	27.09	24.69	34.36	25.52	30.11	43.93	3.64	19.40	35.91	41.05

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: PHILADELPHIA MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units**	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Philadelphia MMA AA	16	100.00	9.29	0.00	22.56	18.75	28.60	25.00	39.55	56.25	8.11	25.06	25.78	41.05

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of Multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES      Geography: PHILADELPHIA MMA      Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Philadelphia MMA AA	7,489	100.00	9.00	10.35	21.74	23.17	27.94	28.91	39.89	37.58	7.95	21.79	27.47	42.80

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS												Geography: PHILADELPHIA MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*								
	#	% of Total**	% of Farms*	% BANK Loans**	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Philadelphia MMA AA	5	100.00	3.53	0.00	17.78	0.00	32.70	20.00	45.11	80.00	0.00	2.63	34.21	63.16					

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: PHILADELPHIA MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Philadelphia MMA AA	212	100.00	27.39	20.75	17.67	19.81	18.61	18.87	36.34	40.57	10.17	22.35	24.56	42.93

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: PHILADLEPHIA MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Philadelphia MMA AA	48	100.00	27.39	16.67	17.67	25.00	18.61	14.58	36.34	43.75	14.88	19.87	23.83	41.42

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: PHILADELPHIA MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans***	% Families*	% BANK Loans***	% Families*	% BANK Loans***	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Philadelphia MMA AA	239	100.00	27.39	10.04	17.67	17.57	18.61	26.36	36.34	46.03	8.07	15.93	23.85	52.15

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: PHILADELPHIA MMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Philadelphia MMA AA	7,558	100.00	76.63	49.80	99.92	0.03	0.05	28,828	15,023

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 41.24% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: PHILADELPHIA MMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate percentage of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Philadelphia MMA AA	5	100.00	94.78	60.00	100.00	0.00	0.00	38	19

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 20.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: PHILADELPHIA MMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Philadelphia MMA AA	7	29,111	159	116,609	166	145,720	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

**Washington-Arlington-Alexandria, DC-VA-MD-WV MMA**

Table 1. Lending Volume

LENDING VOLUME		Geography: WASHINGTON, DC MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Washington DC MMA AA	100.00	4,512	3,214,757	54,084	873,724	37	486	100	2,173,543	58,733	6,262,510	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: WASHINGTON, DC MMA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Washington DC MMA AA	0	0	2	1,000	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: WASHINGTON, DC MMA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Washington DC MMA AA	1,217	100.00	3.66	4.77	18.74	22.93	40.55	33.69	37.05	38.62	4.10	19.24	38.70	37.96

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: WASHINGTON, DC MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Washington DC MMA AA	591	100.00	3.66	4.74	18.74	23.01	40.55	34.52	37.05	37.73	4.89	19.62	41.26	34.23

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE    Geography: WASHINGTON, DC MMA    Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Washington DC MMA AA	2,639	100.00	3.66	4.05	18.74	21.98	40.55	35.81	37.05	38.16	3.39	16.17	39.01	41.43

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: WASHINGTON, DC MMA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units**	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Washington DC MMA AA	65	100.00	17.10	20.00	33.09	40.00	28.95	29.23	20.86	10.77	27.05	31.82	22.73	18.41

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES    Geography: WASHINGTON, DC MMA    Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Washington DC MMA AA	54,052	100.00	4.28	5.40	18.99	22.62	35.66	36.46	40.62	35.53	4.28	19.16	35.96	40.61

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS														Geography: WASHINGTON, DC MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*										
	#	% of Total**	% of Farms* **	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Washington DC MMA AA	37	100.00	2.84	0.00	17.95	18.92	43.84	40.54	35.33	40.54	0.31	14.02	47.66	38.01							

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: WASHINGTON, DC MMA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Washington DC MMA AA	1,217	100.00	20.88	18.05	17.37	24.81	21.26	20.69	40.50	36.44	11.42	24.14	26.91	37.52

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.3% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: WASHINGTON, DC MMA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Washington DC MMA AA	591	100.00	20.88	12.97	17.37	27.30	21.26	24.40	40.50	35.32	26.23	18.41	21.42	33.94

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.85% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE      Geography: WASHINGTON, DC MMA      Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016														
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Washington DC MMA AA	2,639	100.00	20.88	18.95	17.37	21.30	21.26	23.88	40.50	35.86	8.89	18.60	26.92	45.59

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES      Geography: WASHINGTON, DC MMA      Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Washington DC MMA AA	54,084	100.00	79.33	64.99	98.54	0.44	1.02	130,614	74,786

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 26.91% of small loans to businesses originated and purchased by the bank.

Table 12 Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: WASHINGTON, DC MMA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Washington DC MMA AA	37	100.00	94.73	45.95	100.00	0.00	0.00	327	96

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 29.73% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: WASHINGTON, DC MMA				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Washington DC MMA AA	69	228,143	395	294,960	464	523,103	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: WASHINGTON, DC MMA							
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Washington DC MMA AA	100.00	140	100.00	9.29	24.29	27.86	38.57	0	46	0	- 14	- 20	- 12	8.37	23.03	36.19	32.26

\*Two branches in the Washington, DC MMA AA are not reflected on the table because they are located in a geography that has not been assigned an income level. CONA closed one branch in a geography that has not been assigned an income level, and that branch is not reflected in the number of branch closings on this table.

**State of California**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: California						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Los Angeles AA	89.82	687	717,132	53,473	461,372	11	104	29	232,194	54,200	1,410,802	77.19
<b>Limited Review:</b>												
San Francisco AA	10.18	67	107,502	6,062	55,827	1	2	11	120,148	6,141	283,479	22.81

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: California		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Los Angeles AA	0	0	2	880	
<b>Limited Review:</b>					
San Francisco AA	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: California						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Los Angeles AA	119	96.75	2.13	3.36	16.61	23.53	28.65	21.01	52.61	52.10	2.76	17.78	28.62	50.85
<b>Limited Review:</b>														
San Francisco AA	4	3.25	6.05	0.00	16.73	0.00	39.23	50.00	37.99	50.00	13.88	15.35	33.74	37.03

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: California								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Los Angeles AA	71	95.95	2.13	1.41	16.61	8.45	28.65	14.08	52.61	76.06	2.01	14.34	27.43	56.21
<b>Limited Review:</b>														
San Francisco AA	3	4.05	6.05	0.00	16.73	0.00	39.23	33.33	37.99	66.67	6.70	17.17	35.75	40.38

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: California				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>								
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Los Angeles AA	459	88.61	2.13	2.18	16.61	20.70	28.65	24.18	52.61	52.94	1.96	14.92	27.52	55.59					
<b>Limited Review:</b>																			
San Francisco AA	59	11.39	6.05	10.17	16.73	16.95	39.23	28.81	37.99	44.07	7.66	16.14	37.72	38.48					

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: California								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Los Angeles AA	38	97.44	13.18	2.63	31.63	23.68	24.71	42.11	30.48	31.58	14.15	39.83	24.69	21.32
<b>Limited Review:</b>														
San Francisco AA	1	2.56	35.26	0.00	9.90	0.00	22.85	0.00	31.99	100.00	22.54	11.92	31.40	34.14

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: California				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income			
	#	% of Total**	% of Business***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Los Angeles AA	53,152	89.77	6.42	6.82	18.23	19.70	25.19	26.98	48.90	46.50	5.83	18.06	25.96	50.15
<b>Limited Review:</b>														
San Francisco AA	6,060	10.23	27.74	30.74	11.99	16.14	22.01	21.49	38.21	31.63	22.57	15.73	27.58	34.12

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: California								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*			
	#	% of Total**	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Los Angeles AA	11	91.67	3.29	0.00	16.29	18.18	26.79	27.27	52.98	54.55	5.41	13.51	28.04	53.04
<b>Limited Review:</b>														
San Francisco AA	1	8.33	15.97	100.00	14.24	0.00	26.04	0.00	43.58	0.00	33.33	6.67	23.33	36.67

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: California						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Los Angeles AA	119	96.75	24.05	2.56	16.43	18.80	17.64	12.82	41.88	65.81	1.11	6.40	17.39	75.10
<b>Limited Review:</b>														
San Francisco AA	4	3.25	29.29	0.00	15.30	0.00	16.92	25.00	38.48	75.00	0.53	3.05	7.98	88.44

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: California						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Los Angeles AA	71	95.95	24.05	1.45	16.43	1.45	17.64	11.59	41.88	85.51	2.85	8.85	17.70	70.60
<b>Limited Review:</b>														
San Francisco AA	3	4.05	29.29	0.00	15.30	0.00	16.92	33.33	38.48	66.67	3.33	8.87	15.22	72.58

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.7% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: California						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Los Angeles AA	459	88.61	24.05	9.80	16.43	16.99	17.64	12.64	41.88	60.57	2.58	7.80	17.36	72.26
<b>Limited Review:</b>														
San Francisco AA	59	11.39	29.29	18.64	15.30	13.56	16.92	6.78	38.48	61.02	2.93	7.39	16.79	72.89

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: California			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
Los Angeles AA	53,473	89.82	78.08	49.07	99.97	0.03	0.00	291,321	158,009	
<b>Limited Review:</b>										
San Francisco AA	6,062	10.18	75.20	41.78	99.97	0.02	0.02	37,362	17,232	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 39.52% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: California			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Los Angeles AA	11	91.67	93.76	45.45	100.00	0.00	0.00	308	155
<b>Limited Review:</b>									
San Francisco AA	1	8.33	93.40	100.00	100.00	0.00	0.00	30	16

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 33.33% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: California				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Los Angeles AA	4	12,568	73	72,713	77	85,281	77.91	0	0
<b>Limited Review:</b>									
San Francisco AA	2	4,626	53	19,557	55	24,183	22.09	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

**State of Connecticut**

Table 1. Lending Volume

LENDING VOLUME		Geography: Connecticut						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
New Haven AA	100.00	98	116,091	4,600	35,391	8	92	7	35,053	4,713	186,627	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: Connecticut						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Haven AA	31	100.00	3.46	6.45	16.65	22.58	40.50	32.26	39.39	38.71	2.56	14.60	42.04	40.80

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT				Geography: Connecticut				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Haven AA	15	100.00	3.46	26.67	16.65	20.00	40.50	20.00	39.39	33.33	3.42	13.21	36.33	47.04

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: Connecticut				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>								
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
New Haven AA	47	100.00	3.46	4.26	16.65	17.02	40.50	34.04	39.39	44.68	3.80	12.69	39.55	43.96					

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Connecticut								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Haven AA	5	100.00	19.68	20.00	30.98	20.00	37.19	60.00	12.16	0.00	27.19	32.46	35.96	4.39

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: Connecticut				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>†</sup>			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses* **	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Haven AA	4,600	100.00	8.51	11.70	15.35	16.52	38.91	36.17	37.22	35.61	6.65	15.28	38.35	39.72

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: Connecticut								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Haven AA	8	100.00	3.39	0.00	11.95	0.00	32.82	12.50	51.85	87.50	2.44	2.44	12.20	82.93

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Connecticut						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Haven AA	31	100.00	22.94	16.13	16.70	25.81	19.78	9.68	40.59	48.39	8.16	28.61	27.15	36.08

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Connecticut						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Haven AA	15	100.00	22.94	6.67	16.70	13.33	19.78	33.33	40.59	46.67	7.93	17.88	22.54	51.64

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: Connecticut				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Haven AA	47	100.00	22.94	15.22	16.70	23.91	19.78	28.26	40.59	32.61	6.43	17.98	25.88	49.72

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.1% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: Connecticut			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
New Haven AA	4,600	100.00	79.78	41.39	99.89	0.11	0.00	18,157	9,469

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 49.33% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Connecticut			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
New Haven AA	8	100.00	96.24	50.00	100.00	0.00	0.00	42	29

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 37.50% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Connecticut				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
New Haven AA	7	5,472	10	10,387	17	15,859	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: Connecticut							
<b>Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016</b>																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
New Haven AA	100.00	1	100.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	11.07	21.98	35.57	31.38

**State of Delaware**

Table 1. Lending Volume

LENDING VOLUME		Geography: Delaware						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Salisbury AA	100.00	117	31,689	1,381	10,337	19	94	0	0	1,517	42,120	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: Delaware						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Salisbury AA	49	100.00	0.00	0.00	11.84	12.24	73.46	63.27	14.70	24.49	0.00	9.48	69.88	20.64

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: Delaware						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Salisbury AA	11	100.00	0.00	0.00	11.84	0.00	73.46	72.73	14.70	27.27	0.00	8.48	72.32	19.20

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: Delaware				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>								
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Salisbury AA	57	100.00	0.00	0.00	11.84	12.28	73.46	64.91	14.70	22.81	0.00	7.21	67.79	24.99					

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: Delaware				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>†</sup>			
	#	% of Total**	% of Business <sup>***</sup>	% BANK Loans	% of Businesses* <sup>**</sup>	% BANK Loans	% of Business <sup>es</sup> ***	% BANK Loans	% of Business <sup>es</sup> ***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Salisbury AA	1,381	100.00	0.00	0.00	12.75	18.97	67.90	57.86	19.35	23.17	0.00	11.24	65.35	23.40

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: Delaware								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Salisbury AA	19	100.00	0.00	0.00	14.60	47.37	75.78	42.11	9.62	10.53	0.00	12.00	81.60	6.40

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Delaware						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Salisbury AA	49	100.00	20.35	12.50	19.31	18.75	21.86	16.67	38.48	52.08	4.34	13.50	19.15	63.00

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 2016		Geography: Delaware						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31,						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Salisbury AA	11	100.00	20.35	0.00	19.31	27.27	21.86	18.18	38.48	54.55	10.53	20.53	24.74	44.21

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: Delaware				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Salisbury AA	57	100.00	20.35	12.28	19.31	21.05	21.86	17.54	38.48	49.12	6.83	12.50	19.23	61.43

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: Delaware			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Salisbury AA	1,381	100.00	80.71	43.88	100.00	0.00	0.00	4,393	2,076

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 49.24% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Delaware			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate percentage of all reporting lenders. Data	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Salisbury AA	19	100.00	97.45	31.58	100.00	0.00	0.00	128	41

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 68.42% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Delaware				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Salisbury AA	2	3,055	18	10,273	20	13,328	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: Delaware							
<b>Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016</b>																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Salisbury AA	100.00	1	100.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	14.77	73.16	12.07

**State of Illinois**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: Illinois						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Chicago AA	100.00	469	132,379	25,475	199,539	11	111	13	149,953	25,968	481,982	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: Illinois								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago AA	192	100.00	6.03	9.90	22.44	25.52	37.86	28.13	33.67	36.46	4.23	17.85	36.82	41.10

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: Illinois				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago AA	22	100.00	6.03	0.00	22.44	18.18	37.86	36.36	33.67	45.45	5.84	20.74	34.18	39.24

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: Illinois				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>								
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Chicago AA	250	100.00	6.03	6.80	22.44	22.40	37.86	25.20	33.67	45.60	3.73	14.61	33.82	47.84					

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Illinois								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago AA	5	100.00	13.91	20.00	22.77	60.00	30.61	0.00	32.71	20.00	15.12	31.22	30.50	23.17

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: Illinois				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*			
	#	% of Total**	% of Business***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago AA	25,457	100.00	6.56	7.42	18.69	20.07	31.05	36.54	43.52	35.97	5.46	18.99	34.23	41.32

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: Illinois								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago AA	11	100.00	5.38	0.00	19.14	27.27	36.16	36.36	39.33	36.36	2.35	11.76	25.88	60.00

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Illinois								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago AA	192	100.00	26.83	16.15	17.78	20.83	18.66	15.63	36.73	47.40	9.16	22.78	23.40	44.67

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Illinois						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago AA	22	100.00	26.83	4.55	17.78	13.64	18.66	22.73	36.73	59.09	10.27	17.88	24.16	47.69

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: Illinois								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Chicago AA	250	100.00	26.83	14.00	17.78	18.00	18.66	15.20	36.73	52.80	6.20	14.12	22.02	57.66

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: Illinois			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
Chicago AA	25,475	100.00	74.59	46.94	99.88	0.08	0.04	104,617	47,587	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 43.73% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Illinois			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Chicago AA	11	100.00	93.76	27.27	100.00	0.00	0.00	87	43

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 63.64% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Illinois				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Chicago AA	1	3,059	51	51,454	52	54,513	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

## State of Louisiana

Table 1. Lending Volume

LENDING VOLUME		Geography: Louisiana						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
New Orleans AA	39.85	1,999	336,378	15,850	410,943	15	723	46	234,934	17,910	982,978	51.23
Shreveport AA	8.97	418	38,040	3,591	69,645	16	1,432	5	25,733	4,030	134,850	8.29
<b>Limited Review:</b>												
Alexandria AA	3.31	205	20,130	1,267	35,933	11	74	3	4,668	1,486	60,805	2.33
Baton Rouge AA	18.65	836	114,629	7,512	208,078	13	274	22	76,805	8,383	399,786	19.87
Hammond AA	2.37	113	13,611	941	16,886	6	11	4	6,257	1,064	36,765	0.50
Houma AA	5.58	567	67,702	1,925	71,374	4	112	10	91,574	2,506	230,762	5.87
Lafayette AA	8.43	239	28,562	3,482	77,940	64	7,835	3	4,350	3,788	118,687	4.23
Lake Charles AA	4.82	317	38,041	1,799	33,969	49	6,308	1	6,773	2,166	85,091	3.04
Monroe AA	2.73	97	10,404	1,122	20,955	4	46	5	32,064	1,228	63,469	0.94
Louisiana non-MSA AA	5.31	415	33,358	1,817	37,557	150	20,300	6	5,472	2,388	96,687	3.70

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: Louisiana		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
New Orleans AA		0	1	75	
Shreveport AA	0	0	0	0	
<b>Limited Review:</b>					
Alexandria AA	0	0	1	5	
Baton Rouge AA	0	0	0	0	
Hammond AA	0	0	0	0	
Houma AA	0	0	0	0	
Lafayette AA	0	0	0	0	
Lake Charles AA	0	0	0	0	
Monroe AA	0	0	0	0	
Louisiana non-MSA AA	0	0	1	1,362	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: Louisiana				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	503	43.51	4.48	6.16	17.89	19.48	41.88	37.18	35.74	37.18	5.49	16.81	38.90	38.81
Shreveport AA	57	4.93	4.12	1.75	18.23	10.53	42.73	33.33	34.92	54.39	0.95	8.28	38.53	52.23
<b>Limited Review:</b>														
Alexandria AA	32	2.77	5.86	0.00	11.11	12.50	34.27	43.75	48.75	43.75	0.62	7.31	29.20	62.86
Baton Rouge AA	204	17.65	5.90	6.37	10.36	10.78	39.90	29.90	43.84	52.94	1.93	6.65	40.26	51.16
Hammond AA	21	1.82	0.00	0.00	23.47	4.76	56.73	66.67	19.80	28.57	0.00	12.05	70.32	17.63
Houma AA	123	10.64	0.00	0.00	25.19	22.76	54.90	43.90	19.91	33.33	0.00	22.08	50.14	27.78
Lafayette AA	61	5.28	3.65	3.28	13.66	9.84	46.41	31.15	36.28	55.74	1.03	8.13	36.87	53.97
Lake Charles AA	81	7.01	4.91	11.11	17.46	19.75	48.44	38.27	29.19	30.86	1.87	14.31	49.84	33.98
Monroe AA	24	2.08	6.33	4.17	15.55	12.50	42.25	41.67	35.86	41.67	1.59	6.87	44.81	46.73
Louisiana non-MSA AA	50	4.33	1.48	4.00	12.05	12.00	68.95	68.00	17.52	16.00	0.80	8.15	65.35	25.70

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: Louisiana				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	510	35.27	4.48	5.49	17.89	24.31	41.88	34.90	35.74	35.29	6.14	20.33	38.13	35.40
Shreveport AA	154	10.65	4.12	6.49	18.23	20.78	42.73	49.35	34.92	23.38	4.57	14.81	42.23	38.39
<b>Limited Review:</b>														
Alexandria AA	64	4.43	5.86	7.81	11.11	21.88	34.27	23.44	48.75	46.88	5.56	8.33	36.51	49.60
Baton Rouge AA	219	15.15	5.90	5.94	10.36	11.87	39.90	43.38	43.84	38.81	5.08	8.82	39.41	46.69
Hammond AA	20	1.38	0.00	0.00	23.47	25.00	56.73	50.00	19.80	25.00	0.00	17.37	63.47	19.16
Houma AA	141	9.75	0.00	0.00	25.19	24.82	54.90	48.94	19.91	26.24	0.00	23.93	52.39	23.68
Lafayette AA	74	5.12	3.65	2.70	13.66	12.16	46.41	50.00	36.28	35.14	2.86	13.54	42.73	40.87
Lake Charles AA	87	6.02	4.91	6.90	17.46	25.29	48.44	41.38	29.19	26.44	2.65	17.65	48.53	31.18
Monroe AA	22	1.52	6.33	4.55	15.55	9.09	42.25	54.55	35.86	31.82	4.37	11.17	49.03	35.44
Louisiana non-MSA AA	155	10.72	1.48	1.29	12.05	18.71	68.95	70.97	17.52	9.03	0.58	12.70	67.24	19.48

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: Louisiana								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	967	37.60	4.48	4.65	17.89	18.20	41.88	41.05	35.74	36.09	3.96	15.03	37.95	43.06
Shreveport AA	207	8.05	4.12	5.31	18.23	16.91	42.73	42.03	34.92	35.75	0.99	8.60	40.03	50.38
<b>Limited Review:</b>														
Alexandria AA	108	4.20	5.86	2.78	11.11	10.19	34.27	30.56	48.75	56.48	1.78	8.81	24.66	64.75
Baton Rouge AA	409	15.90	5.90	2.69	10.36	10.76	39.90	41.81	43.84	44.74	2.24	6.77	38.31	52.67
Hammond AA	71	2.76	0.00	0.00	23.47	9.86	56.73	64.79	19.80	25.35	0.00	14.31	63.82	21.87
Houma AA	302	11.74	0.00	0.00	25.19	21.19	54.90	50.33	19.91	28.48	0.00	21.68	55.33	22.99
Lafayette AA	104	4.04	3.65	2.88	13.66	14.42	46.41	37.50	36.28	45.19	1.30	9.72	37.88	51.10
Lake Charles AA	144	5.60	4.91	2.08	17.46	18.06	48.44	43.06	29.19	36.81	3.22	13.77	46.19	36.81
Monroe AA	50	1.94	6.33	2.00	15.55	14.00	42.25	40.00	35.86	44.00	2.33	10.15	41.43	46.09
Louisiana non-MSA AA	210	8.16	1.48	0.00	12.05	13.33	68.95	69.05	17.52	17.62	0.43	7.85	65.44	26.27

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Louisiana								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units**	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	19	59.38	15.08	10.53	30.85	21.05	29.29	36.84	24.79	31.58	12.50	30.56	25.00	31.94
Shreveport AA	0	0.00	7.40	0.00	26.75	0.00	44.38	0.00	21.47	0.00	8.33	25.00	58.33	8.33
<b>Limited Review:</b>														
Alexandria AA		3.13	10.76	0.00	12.48	0.00	16.32	0.00	60.44	100.00	0.00	25.00	25.00	50.00
Baton Rouge AA	1	12.50	21.47	0.00	18.80	0.00	20.34	50.00	39.38	50.00	41.18	17.65	15.69	25.49
Hammond AA	4	3.13	0.00	0.00	17.71	0.00	74.83	100.00	7.46	0.00	0.00	16.67	66.67	16.67
Houma AA	1	3.13	0.00	0.00	27.02	100.00	58.71	0.00	14.27	0.00	0.00	23.08	69.23	7.69
Lafayette AA	1	0.00	3.24	0.00	10.56	0.00	58.73	0.00	27.47	0.00	3.33	16.67	60.00	20.00
Lake Charles AA	0	0.00	11.65	0.00	43.57	20.00	25.69	80.00	19.09	0.00	16.00	16.00	44.00	24.00
Monroe AA	5	3.13	9.71	0.00	21.26	0.00	32.80	100.00	36.23	0.00	5.26	26.32	36.84	31.58
Louisiana non-MSA AA	1	0.00	4.27	0.00	20.56	0.00	60.41	0.00	14.77	0.00	0.00	8.33	91.67	0.00

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: Louisiana				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>†</sup>			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	15,839	40.32	6.78	7.29	20.02	21.71	33.12	32.36	39.94	38.65	6.65	19.53	29.56	44.26
Shreveport AA	3,590	9.14	10.99	12.37	23.22	24.29	36.73	33.84	28.96	29.50	12.01	18.86	35.18	33.94
<b>Limited Review:</b>														
Alexandria AA	1,266	3.22	10.96	13.51	12.28	14.77	29.53	24.57	46.89	47.16	10.06	11.10	25.92	52.92
Baton Rouge AA	7,511	19.12	8.46	11.28	14.29	17.68	32.95	31.81	44.26	39.24	6.67	13.87	30.87	48.59
Hammond AA	941	2.40	0.00	0.00	28.09	31.67	55.97	50.90	15.94	17.43	0.00	29.63	52.99	17.38
Houma AA	1,925	4.90	0.00	0.00	25.06	26.23	53.56	51.12	21.38	22.65	0.00	23.92	48.89	27.19
Lafayette AA	3,481	8.86	3.06	3.85	12.79	13.99	46.53	40.48	37.53	41.68	1.59	9.94	44.85	43.61
Lake Charles AA	1,796	4.57	6.42	8.74	26.50	27.28	42.24	36.64	24.67	27.34	7.57	23.33	40.72	28.39
Monroe AA	1,122	2.86	12.25	17.11	20.55	22.01	34.05	28.07	32.97	32.80	14.92	15.18	32.93	36.97
Louisiana non-MSA AA	1,817	4.62	1.36	3.36	14.14	15.52	65.29	59.99	19.21	21.13	1.63	12.47	63.75	22.15

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: Louisiana						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	12	3.65	3.99	8.33	15.10	8.33	43.23	16.67	37.56	66.67	3.45	13.79	41.38	41.38
Shreveport AA	16	4.86	3.44	0.00	16.31	31.25	45.69	50.00	34.55	18.75	6.15	10.77	49.23	33.85
<b>Limited Review:</b>														
Alexandria AA	11	3.34	2.63	0.00	4.74	27.27	33.68	27.27	58.95	45.45	1.85	11.11	27.78	59.26
Baton Rouge AA	13	3.95	4.82	15.38	8.27	0.00	38.20	61.54	48.71	23.08	4.65	2.33	55.81	37.21
Hammond AA	6	1.82	0.00	0.00	30.13	66.67	56.29	33.33	13.58	0.00	0.00	45.95	54.05	0.00
Houma AA	4	1.22	0.00	0.00	22.86	25.00	54.27	75.00	22.86	0.00	0.00	20.00	55.00	25.00
Lafayette AA	64	19.45	0.80	0.00	12.85	3.13	50.40	79.69	35.96	17.19	0.00	11.02	58.27	30.71
Lake Charles AA	49	14.89	1.12	2.04	14.51	0.00	50.22	73.47	34.15	24.49	2.41	2.41	44.58	50.60
Monroe AA	4	1.22	2.24	0.00	8.48	25.00	44.14	25.00	44.89	50.00	0.00	0.00	67.65	32.35
Louisiana non-MSA AA	150	45.59	0.39	0.67	9.39	11.33	67.12	48.67	23.09	39.33	0.70	10.18	61.05	28.07

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Louisiana						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	503	43.51	23.56	11.90	16.68	20.88	18.48	21.29	41.29	45.93	5.65	21.11	24.03	49.22
Shreveport AA	57	4.93	23.73	7.27	16.39	23.64	18.56	25.45	41.32	43.64	5.77	21.02	26.83	46.38
<b>Limited Review:</b>														
Alexandria AA	32	2.77	23.55	3.23	16.42	12.90	17.38	29.03	42.64	54.84	3.06	15.51	25.65	55.78
Baton Rouge AA	204	17.65	22.10	9.60	16.56	22.22	18.46	19.70	42.88	48.48	5.60	23.17	26.61	44.62
Hammond AA	21	1.82	25.70	10.00	15.56	25.00	17.90	15.00	40.84	50.00	2.23	14.80	28.38	54.59
Houma AA	123	10.64	25.31	5.00	15.26	15.00	18.26	23.33	41.16	56.67	4.48	17.49	27.19	50.84
Lafayette AA	61	5.28	22.36	13.56	15.86	22.03	17.98	11.86	43.81	52.54	4.24	19.16	25.77	50.84
Lake Charles AA	81	7.01	23.31	12.82	17.53	19.23	17.61	17.95	41.55	50.00	5.57	17.41	27.53	49.48
Monroe AA	24	2.08	23.93	4.35	16.05	13.04	18.50	17.39	41.52	65.22	3.32	14.31	24.26	58.11
Louisiana non-MSA AA	50	4.33	24.29	10.20	17.13	18.37	17.88	24.49	40.70	46.94	6.26	13.69	26.47	53.58

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.8% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Louisiana						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	510	35.27	23.56	10.58	16.68	22.36	18.48	27.15	41.29	39.92	13.91	17.43	21.69	46.97
Shreveport AA	154	10.65	23.73	15.58	16.39	35.06	18.56	25.32	41.32	24.03	13.86	21.19	18.81	46.14
<b>Limited Review:</b>														
Alexandria AA	64	4.43	23.55	12.50	16.42	15.63	17.38	21.88	42.64	50.00	12.07	14.22	16.81	56.90
Baton Rouge AA	219	15.15	22.10	14.81	16.56	19.91	18.46	23.15	42.88	42.13	10.39	17.29	20.68	51.64
Hammond AA	20	1.38	25.70	0.00	15.56	10.53	17.90	26.32	40.84	63.16	4.03	14.77	16.78	64.43
Houma AA	141	9.75	25.31	9.93	15.26	19.86	18.26	20.57	41.16	49.65	8.93	14.12	18.73	58.21
Lafayette AA	74	5.12	22.36	13.51	15.86	25.68	17.98	20.27	43.81	40.54	13.45	16.44	19.29	50.82
Lake Charles AA	87	6.02	23.31	9.20	17.53	18.39	17.61	31.03	41.55	41.38	8.79	16.94	22.48	51.79
Monroe AA	22	1.52	23.93	9.52	16.05	23.81	18.50	23.81	41.52	42.86	9.20	12.64	17.24	60.92
Louisiana non-MSA AA	155	10.72	24.29	9.80	17.13	22.88	17.88	20.92	40.70	46.41	11.30	16.33	18.68	53.69

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.1% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: Louisiana				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
New Orleans AA	967	37.60	23.56	8.86	16.68	19.51	18.48	24.26	41.29	47.36	6.73	15.53	20.89	56.86
Shreveport AA	207	8.05	23.73	13.59	16.39	21.36	18.56	23.30	41.32	41.75	7.59	14.07	21.41	56.93
<b>Limited Review:</b>														
Alexandria AA	108	4.20	23.55	7.55	16.42	16.98	17.38	27.36	42.64	48.11	4.84	12.87	19.14	63.15
Baton Rouge AA	409	15.90	22.10	13.09	16.56	16.79	18.46	26.91	42.88	43.21	6.05	15.40	23.28	55.26
Hammond AA	71	2.76	25.70	7.14	15.56	15.71	17.90	25.71	40.84	51.43	2.99	10.06	21.20	65.75
Houma AA	302	11.74	25.31	8.72	15.26	17.11	18.26	20.81	41.16	53.36	8.37	13.09	22.52	56.01
Lafayette AA	104	4.04	22.36	7.69	15.86	19.23	17.98	23.08	43.81	50.00	6.12	12.51	20.02	61.35
Lake Charles AA	144	5.60	23.31	7.86	17.53	19.29	17.61	19.29	41.55	53.57	5.63	12.71	21.39	60.27
Monroe AA	50	1.94	23.93	6.25	16.05	27.08	18.50	20.83	41.52	45.83	4.40	11.05	19.76	64.79
Louisiana non-MSA AA	210	8.16	24.29	5.26	17.13	13.88	17.88	27.27	40.70	53.59	5.87	11.42	21.15	61.55

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.5% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: Louisiana		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
New Orleans AA	15,850	40.32	81.65	60.53	96.37	1.27	2.35	24,669	11,885
Shreveport AA	3,591	9.14	80.20	48.76	96.94	1.23	1.84	6,168	2,687
<b>Limited Review:</b>									
Alexandria AA	1,267	3.22	79.08	54.30	95.90	1.66	2.45	2,449	1,090
Baton Rouge AA	7,512	19.11	79.80	49.81	95.55	1.68	2.77	12,721	5,850
Hammond AA	941	2.39	79.62	55.05	97.56	0.64	1.81	1,707	781
Houma AA	1,925	4.90	80.07	53.14	93.82	2.18	4.00	2,742	1,015
Lafayette AA	3,482	8.86	79.48	49.45	97.33	0.63	2.04	7,509	3,024
Lake Charles AA	1,799	4.58	80.22	50.69	97.39	0.89	1.72	3,190	1,343
Monroe AA	1,122	2.85	79.62	40.29	97.95	0.53	1.52	2,744	1,222
Louisiana non-MSA AA	1,817	4.62	76.07	53.22	97.14	1.16	1.71	2,892	1,229

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 36.64% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Louisiana			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
New Orleans AA	15	4.52	95.95	80.00	86.67	6.67	6.67	31	17
Shreveport AA	16	4.82	97.57	50.00	81.25	0.00	18.75	65	42
<b>Limited Review:</b>									
Alexandria AA	11	3.31	95.53	63.64	100.00	0.00	0.00	56	37
Baton Rouge AA	13	3.92	97.55	38.46	100.00	0.00	0.00	43	24
Hammond AA	6	1.81	97.35	0.00	100.00	0.00	0.00	37	24
Houma AA	4	1.20	97.23	75.00	100.00	0.00	0.00	20	6
Lafayette AA	64	19.28	97.41	71.88	71.88	4.69	23.44	128	56
Lake Charles AA	49	14.76	98.21	85.71	61.22	20.41	18.37	83	66
Monroe AA	4	1.20	98.25	25.00	100.00	0.00	0.00	34	16
Louisiana non-MSA AA	150	45.18	97.46	62.00	55.33	22.67	22.00	295	109

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 18.98% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Louisiana				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
New Orleans AA	32	110,461	185	99,128	217	209,589	47.06	0	0
Shreveport AA	7	18,735	63	2,723	70	21,458	4.82	0	0
<b>Limited Review:</b>									
Alexandria AA	3	6,372	18	195	21	6,567	1.47	0	0
Baton Rouge AA	18	50,882	72	18,649	90	69,531	15.61	0	0
Hammond AA	5	19,410	3	13,119	8	32,529	7.30	0	0
Houma AA	1	981	17	10,799	18	11,780	2.64	0	0
Lafayette AA	6	23,834	46	379	52	24,213	5.44	0	0
Lake Charles AA	6	13,583	23	14,261	29	27,844	6.25	0	0
Monroe AA	2	7,311	11	16,550	13	23,861	5.36	0	0
Louisiana non-MSA AA	3	10,395	19	7,635	22	18,030	4.05	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Geography: Louisiana			
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																				
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population						
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography						
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
<b>Full Review:</b>																				
LA - New Orleans	51.23	42	31.82	4.76	23.81	28.57	42.86	1	12	0	- 2	- 4	- 5	8.57	23.27	38.46	29.43			
LA - Shreveport	8.29	13	9.85	23.08	30.77	38.46	7.69	0	10	- 1	- 2	- 5	- 2	7.29	23.34	40.69	28.68			
<b>Limited Review:</b>																				
Alexandria AA	2.33	3	2.27	33.33	0.00	0.00	66.67	0	4	- 1	0	- 2	- 1	9.04	15.76	32.85	42.34			
Baton Rouge AA	19.87	24	18.18	4.17	20.83	33.33	41.67	0	4	0	- 1	- 3	0	11.27	13.42	37.54	37.77			
Hammond AA	0.50	2	1.52	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	26.54	56.85	16.62			
Houma AA	5.87	10	7.58	0.00	20.00	50.00	30.00	1	5	0	- 1	- 2	- 1	0.00	27.11	54.30	18.60			
Lafayette AA	4.23	9	6.82	0.00	11.11	66.67	22.22	0	1	0	0	0	- 1	4.55	15.51	47.49	32.45			
Lake Charles AA	3.04	9	6.82	11.11	33.33	44.44	11.11	0	1	0	0	- 1	0	7.52	21.66	44.10	26.72			
Monroe AA	0.94	3	2.27	0.00	33.33	33.33	33.33	0	1	0	- 1	0	0	10.26	23.23	36.63	29.87			
Louisiana non-MSA AA	3.70	17	12.88	0.00	17.65	64.71	17.65	0	7	0	0	- 4	- 3	2.08	15.79	65.09	17.04			

**State of Maryland**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: Maryland						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Baltimore AA	93.49	883	819,764	15,616	195,778	21	186	48	513,578	16,568	1,529,306	95.42
<b>Limited Review:</b>												
Hagerstown AA	4.25	58	8,537	690	5,994	5	44	1	9,000	754	23,575	2.61
Lexington Park AA	1.12	7	908	191	1,776	1	2	0	0	199	2,686	1.29
Maryland non-MSA AA	1.13	11	2,100	190	1,858	0	0	0	0	201	3,958	0.68

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: Maryland		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Baltimore AA	0	0	1	18,703	
<b>Limited Review:</b>					
Hagerstown AA	0	0	0	0	
Lexington Park AA	0	0	0	0	
Maryland non-MSA AA	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: Maryland					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Baltimore AA	280	90.91	6.23	7.14	17.26	17.50	37.77	27.50	38.74	47.86	3.90	14.63	41.71	39.75
<b>Limited Review:</b>														
Hagerstown AA	23	7.47	1.49	0.00	13.28	13.04	51.66	43.48	33.57	43.48	1.07	14.32	52.59	32.02
Lexington Park AA	1	0.32	3.06	0.00	4.37	0.00	77.53	100.00	15.04	0.00	4.61	3.15	68.97	23.27
Maryland non-MSA AA	4	1.30	0.00	0.00	0.00	0.00	46.67	25.00	53.33	75.00	0.00	0.00	46.89	53.11

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: Maryland								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Baltimore AA	107	89.17	6.23	8.41	17.26	14.95	37.77	28.04	38.74	48.60	5.44	16.38	39.15	39.02
<b>Limited Review:</b>														
Hagerstown AA	11	9.17	1.49	0.00	13.28	36.36	51.66	36.36	33.57	27.27	2.31	12.04	54.63	31.02
Lexington Park AA	0	0.00	3.06	0.00	4.37	0.00	77.53	0.00	15.04	0.00	2.92	4.17	76.67	16.25
Maryland non-MSA AA	2	1.67	0.00	0.00	0.00	0.00	46.67	50.00	53.33	50.00	0.00	0.00	40.35	59.65

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: Maryland				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>								
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Baltimore AA	455	92.86	6.23	6.59	17.26	17.36	37.77	25.49	38.74	50.55	3.15	11.79	38.01	47.05					
<b>Limited Review:</b>																			
Hagerstown AA	24	4.90	1.49	0.00	13.28	12.50	51.66	58.33	33.57	29.17	0.73	9.91	51.25	38.10					
Lexington Park AA	6	1.22	3.06	0.00	4.37	0.00	77.53	66.67	15.04	33.33	3.45	4.57	73.49	18.49					
Maryland non-MSA AA	5	1.02	0.00	0.00	0.00	0.00	46.67	80.00	53.33	20.00	0.00	0.00	43.28	56.72					

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Maryland								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Baltimore AA	41	100.00	15.02	9.76	28.55	60.98	35.00	21.95	21.43	7.32	18.04	33.51	32.99	15.46
<b>Limited Review:</b>														
Hagerstown AA	0	0.00	14.35	0.00	35.61	0.00	30.34	0.00	19.70	0.00	20.00	60.00	5.00	15.00
Lexington Park AA	0	0.00	18.02	0.00	27.79	0.00	46.67	0.00	7.53	0.00	0.00	0.00	100.00	0.00
Maryland non-MSA AA	0	0.00	0.00	0.00	0.00	0.00	80.58	0.00	19.42	0.00	0.00	0.00	0.00	100.00

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: Maryland					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016								
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>†</sup>				
	#	% of Total**	% of Business <sup>***</sup>	% BANK Loans	% of Businesses* <sup>**</sup>	% BANK Loans	% of Business <sup>es</sup> ***	% BANK Loans	% of Business <sup>es</sup> ***	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Baltimore AA	15,595	93.58	7.39	9.48	14.11	15.25	36.73	35.42	41.54	39.85	6.05	12.28	36.07	45.59	
<b>Limited Review:</b>															
Hagerstown AA	689	4.13	6.53	8.71	18.00	18.43	45.76	42.24	29.55	30.62	7.19	15.14	49.09	28.58	
Lexington Park AA	191	1.15	5.80	9.42	7.02	9.42	72.46	65.97	14.71	15.18	4.13	3.25	77.07	15.55	
Maryland non-MSA AA	190	1.14	0.00	0.00	0.00	0.00	52.87	52.63	47.13	47.37	0.00	0.00	47.21	52.79	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: Maryland								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>				
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Baltimore AA	21	77.78	2.08	0.00	7.11	0.00	40.30	28.57	50.52	71.43	0.46	4.11	46.12	49.32	
<b>Limited Review:</b>															
Hagerstown AA	5	18.52	0.64	0.00	6.42	0.00	61.67	60.00	31.26	40.00	0.00	0.00	73.47	26.53	
Lexington Park AA	1	3.70	0.98	0.00	0.98	0.00	81.37	100.00	16.67	0.00	0.00	0.00	40.91	59.09	
Maryland non-MSA AA	0	0.00	0.00	0.00	0.00	0.00	45.49	0.00	54.51	0.00	0.00	0.00	18.75	81.25	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Maryland						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total*	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Baltimore AA	280	90.91	22.06	15.71	17.40	22.14	20.57	20.00	39.97	42.14	10.22	25.46	25.31	39.01
<b>Limited Review:</b>														
Hagerstown AA	23	7.47	19.40	4.35	18.61	21.74	20.85	21.74	41.14	52.17	6.89	27.38	27.32	38.41
Lexington Park AA	1	0.32	19.62	0.00	17.60	100.00	23.89	0.00	38.89	0.00	11.35	30.01	33.48	25.17
Maryland non-MSA AA	4	1.30	13.87	25.00	14.80	0.00	21.32	0.00	50.00	75.00	4.63	16.96	21.15	57.27

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Maryland						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Baltimore AA	107	89.17	22.06	14.02	17.40	24.30	20.57	14.02	39.97	47.66	18.07	19.47	23.85	38.61
<b>Limited Review:</b>														
Hagerstown AA	11	9.17	19.40	27.27	18.61	36.36	20.85	9.09	41.14	27.27	12.89	17.01	21.65	48.45
Lexington Park AA	0	0.00	19.62	0.00	17.60	0.00	23.89	0.00	38.89	0.00	28.95	11.84	23.68	35.53
Maryland non-MSA AA	2	1.67	13.87	0.00	14.80	50.00	21.32	50.00	50.00	0.00	12.24	20.41	14.29	53.06

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: Maryland				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Baltimore AA	455	92.86	22.06	15.67	17.40	20.75	20.57	17.66	39.97	45.92	8.05	17.81	25.07	49.07
<b>Limited Review:</b>														
Hagerstown AA	24	4.90	19.40	12.50	18.61	33.33	20.85	16.67	41.14	37.50	4.71	16.85	26.90	51.54
Lexington Park AA	6	1.22	19.62	16.67	17.60	66.67	23.89	16.67	38.89	0.00	8.26	19.09	30.83	41.82
Maryland non-MSA AA	5	1.02	13.87	0.00	14.80	20.00	21.32	0.00	50.00	80.00	6.25	15.28	19.68	58.80

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.4% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: Maryland			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Baltimore AA	15,616	93.58	77.89	50.03	98.94	0.31	0.76	47,438	23,963
<b>Limited Review:</b>									
Hagerstown AA	690	4.13	77.06	44.64	99.57	0.14	0.29	2,371	1,066
Lexington Park AA	191	1.14	76.82	36.13	99.48	0.52	0.00	1,165	584
Maryland non-MSA AA	190	1.14	78.27	41.05	99.47	0.53	0.00	879	363

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 41.21% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Maryland			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Baltimore AA	21	77.78	94.76	42.86	100.00	0.00	0.00	221	65
<b>Limited Review:</b>									
Hagerstown AA	5	18.52	98.72	60.00	100.00	0.00	0.00	49	26
Lexington Park AA	1	3.70	97.06	100.00	100.00	0.00	0.00	22	10
Maryland non-MSA AA	0	0.00	97.42	0.00	0.00	0.00	0.00	16	3

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 51.85% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Maryland				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Baltimore AA	17	72,649	60	110,502	77	183,151	99.13	0	0
<b>Limited Review:</b>									
Hagerstown AA	1	141	2	10	3	151	0.08	0	0
Lexington Park AA	0	0	1	100	1	100	0.05	0	0
Maryland non-MSA AA	1	1,339	2	15	3	1,354	0.73	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: Maryland							
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Baltimore AA	95.42	17	100.00	5.88	23.53	17.65	52.94	0	8	0	0	- 5	- 3	11.79	21.59	33.44	32.62
<b>Limited Review:</b>																	
Hagerstown AA	2.61	0	0.00	0.00	0.00	0.00	0.00	0	2	0	- 1	- 1	0	3.63	17.72	46.35	28.12
Lexington Park AA	1.29	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	- 1	0	4.48	8.23	71.89	15.40
Maryland non-MSA AA	0.68	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	0	- 1	0.00	0.00	50.31	49.69

**Commonwealth of Massachusetts**

Table 1. Lending Volume

LENDING VOLUME		Geography: Massachusetts						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Boston-Cambridge AA	74.99	316	420,559	13,109	123,680	14	155	21	168,706	13,460	713,100	86.17
<b>Limited Review:</b>												
Pittsfield AA	2.06	5	816	362	2,705	2	21	0	0	369	3,542	0.47
Providence AA	6.51	5	1,642	1,159	8,239	4	45	0	0	1,168	9,926	3.01
Springfield AA	6.85	12	2,264	1,209	9,781	7	78	2	70	1,230	12,193	2.13
Worcester AA	9.59	25	6,953	1,688	13,606	7	71	2	560	1,722	21,190	8.23

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: Massachusetts						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Boston-Cambridge AA	59	77.63	3.38	3.39	13.14	16.95	46.68	35.59	36.79	44.07	4.66	14.33	45.35	35.66
<b>Limited Review:</b>														
Pittsfield AA	2	2.63	0.63	0.00	6.91	0.00	69.52	100.00	22.94	0.00	0.46	7.09	68.66	23.80
Providence AA	1	1.32	4.89	0.00	12.89	0.00	42.83	0.00	39.39	100.00	5.06	12.63	43.70	38.61
Springfield AA	2	2.63	3.25	0.00	15.42	50.00	41.35	0.00	39.98	50.00	2.86	17.20	42.00	37.94
Worcester AA	12	15.79	2.16	0.00	12.87	8.33	47.20	33.33	37.77	58.33	2.19	13.01	44.95	39.85

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: Massachusetts						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Boston-Cambridge AA	31	86.11	3.38	0.00	13.14	6.45	46.68	45.16	36.79	48.39	3.09	11.44	44.89	40.58
<b>Limited Review:</b>														
Pittsfield AA	0	0.00	0.63	0.00	6.91	0.00	69.52	0.00	22.94	0.00	0.39	8.84	70.14	20.63
Providence AA	0	0.00	4.89	0.00	12.89	0.00	42.83	0.00	39.39	0.00	3.59	11.14	41.10	44.18
Springfield AA	2	5.56	3.25	0.00	15.42	50.00	41.35	50.00	39.98	0.00	2.29	11.68	40.38	45.66
Worcester AA	3	8.33	2.16	0.00	12.87	0.00	47.20	33.33	37.77	66.67	1.52	10.33	43.19	44.96

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				Geography: Massachusetts				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Boston-Cambridge AA	199	88.84	3.38	6.03	13.14	17.59	46.68	38.19	36.79	38.19	3.57	12.43	44.99	39.01
<b>Limited Review:</b>														
Pittsfield AA	3	1.34	0.63	0.00	6.91	0.00	69.52	66.67	22.94	33.33	0.41	6.12	70.44	23.03
Providence AA	4	1.79	4.89	0.00	12.89	0.00	42.83	50.00	39.39	50.00	3.86	9.76	41.50	44.88
Springfield AA	8	3.57	3.25	0.00	15.42	12.50	41.35	12.50	39.98	75.00	2.37	13.55	40.80	43.28
Worcester AA	10	4.46	2.16	0.00	12.87	10.00	47.20	10.00	37.77	80.00	1.95	10.63	42.95	44.47

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Massachusetts								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Boston-Cambridge AA	27	100.00	16.10	11.11	22.19	40.74	37.93	33.33	23.78	14.81	19.82	31.26	33.73	15.19
<b>Limited Review:</b>														
Pittsfield AA	0	0.00	18.58	0.00	14.84	0.00	50.87	0.00	15.70	0.00	14.29	14.29	57.14	14.29
Providence AA	0	0.00	31.47	0.00	22.19	0.00	30.73	0.00	15.61	0.00	36.64	34.35	19.85	9.16
Springfield AA	0	0.00	32.31	0.00	21.16	0.00	31.37	0.00	15.16	0.00	22.50	20.00	40.00	17.50
Worcester AA	0	0.00	19.79	0.00	29.53	0.00	32.76	0.00	17.93	0.00	22.15	34.81	31.65	11.39

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: Massachusetts				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>†</sup>				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Boston-Cambridge MAA	13,073	74.75	6.61	8.67	12.96	15.02	39.31	39.56	40.91	36.75	5.76	13.06	41.41	39.77	
<b>Limited Review:</b>															
Pittsfield AA	362	2.07	7.79	15.75	7.78	15.47	62.85	49.45	21.58	19.34	6.86	7.69	63.43	22.01	
Providence AA	1,159	6.63	12.97	15.19	12.73	13.81	38.87	39.09	35.43	31.92	11.37	11.57	39.77	37.30	
Springfield AA	1,206	6.90	14.03	15.59	17.30	19.15	34.30	31.76	34.20	33.50	11.46	15.68	36.88	35.98	
Worcester AA	1,688	9.65	8.57	9.83	16.96	17.65	38.80	37.38	35.62	35.13	7.26	15.03	38.76	38.94	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: Massachusetts								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Boston-Cambridge AA	14	41.18	2.07	14.29	8.87	0.00	48.41	14.29	40.65	71.43	3.57	1.19	48.81	46.43
<b>Limited Review:</b>														
Pittsfield AA	2	5.88	1.39	0.00	6.13	0.00	67.41	50.00	25.07	50.00	0.00	7.14	57.14	35.71
Providence AA	4	11.76	6.61	0.00	8.64	0.00	34.35	0.00	50.41	100.00	7.14	0.00	32.14	60.71
Springfield AA	7	20.59	2.05	0.00	7.49	14.29	38.50	14.29	51.96	71.43	0.00	2.56	33.33	64.10
Worcester AA	7	20.59	1.74	0.00	7.54	14.29	46.13	14.29	44.59	71.43	0.00	2.50	60.00	37.50

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Massachusetts								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data				
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Boston-Cambridge AA	59	77.63	22.49	10.17	16.39	11.86	20.32	11.86	40.80	66.10	6.10	21.21	25.90	46.79	
<b>Limited Review:</b>															
Pittsfield AA	2	2.63	21.78	0.00	17.02	0.00	22.60	0.00	38.61	100.00	10.17	24.16	23.09	42.58	
Providence AA	1	1.32	22.97	0.00	16.68	0.00	20.20	0.00	40.15	100.00	5.35	24.05	31.66	38.94	
Springfield AA	2	2.63	23.64	0.00	16.07	0.00	19.08	50.00	41.21	50.00	7.85	27.57	28.57	36.01	
Worcester AA	12	15.79	20.60	0.00	16.47	16.67	21.91	16.67	41.03	66.67	8.85	27.61	26.25	37.30	

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Massachusetts						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Boston-Cambridge AA	31	86.11	22.49	3.23	16.39	19.35	20.32	25.81	40.80	51.61	5.91	16.43	26.13	51.53
<b>Limited Review:</b>														
Pittsfield AA	0	0.00	21.78	0.00	17.02	0.00	22.60	0.00	38.61	0.00	10.61	24.69	26.53	38.16
Providence AA	0	0.00	22.97	0.00	16.68	0.00	20.20	0.00	40.15	0.00	7.60	17.07	24.98	50.35
Springfield AA	2	5.56	23.64	0.00	16.07	0.00	19.08	50.00	41.21	50.00	6.69	16.10	30.40	46.81
Worcester AA	3	8.33	20.60	0.00	16.47	33.33	21.91	0.00	41.03	66.67	5.93	17.96	23.62	52.49

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: Massachusetts								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Boston-Cambridge AA	199	88.84	22.49	15.66	16.39	18.18	20.32	17.17	40.80	48.99	5.11	17.22	27.13	50.54
<b>Limited Review:</b>														
Pittsfield AA	3	1.34	21.78	0.00	17.02	33.33	22.60	33.33	38.61	33.33	6.56	18.54	20.55	54.35
Providence AA	4	1.79	22.97	0.00	16.68	0.00	20.20	50.00	40.15	50.00	5.47	16.39	28.67	49.46
Springfield AA	8	3.57	23.64	0.00	16.07	12.50	19.08	25.00	41.21	62.50	5.91	18.43	27.23	48.44
Worcester AA	10	4.46	20.60	0.00	16.47	20.00	21.91	10.00	41.03	70.00	5.90	17.88	25.71	50.51

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.4% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: Massachusetts		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
Boston-Cambridge AA	13,109	74.79	76.00	48.95	99.96	0.00	0.04	88,727	42,629	
<b>Limited Review:</b>										
Pittsfield AA	362	2.07	75.55	43.37	100.00	0.00	0.00	2,300	1,156	
Providence AA	1,159	6.61	77.16	48.32	100.00	0.00	0.00	9,359	4,291	
Springfield AA	1,209	6.90	76.25	48.39	100.00	0.00	0.00	9,605	4,602	
Worcester AA	1,688	9.63	76.99	47.45	99.94	0.06	0.00	11,876	5,389	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 39.64% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Massachusetts			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Boston-Cambridge AA	14	41.18	94.81	21.43	100.00	0.00	0.00	86	38
<b>Limited Review:</b>									
Pittsfield AA	2	5.88	96.94	0.00	100.00	0.00	0.00	14	7
Providence AA	4	11.76	96.04	50.00	100.00	0.00	0.00	30	13
Springfield AA	7	20.59	96.26	57.14	100.00	0.00	0.00	40	11
Worcester AA	7	20.59	96.79	57.14	100.00	0.00	0.00	41	14

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 44.12% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Massachusetts				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Boston-Cambridge AA	4	40,992	71	61,544	75	102,536	77.97	0	0
<b>Limited Review:</b>									
Pittsfield AA	1	788	1	6	2	794	0.60	0	0
Providence AA	1	1,088	3	1,019	4	2,107	1.60	0	0
Springfield AA	1	1,067	4	18,075	5	19,142	14.56	0	0
Worcester AA	1	2,000	3	4,921	4	6,921	5.26	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

**State of Minnesota**

Table 1. Lending Volume

LENDING VOLUME		Geography: Minnesota						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
St. Cloud AA	100.00	52	7,225	2,067	15,757	27	257	0	0	2,146	23,239	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: Minnesota						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
St. Cloud AA	17	100.00	0.00	0.00	9.71	5.88	83.25	70.59	7.04	23.53	0.00	8.11	84.25	7.64

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: Minnesota						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
St. Cloud AA	4	100.00	0.00	0.00	9.71	0.00	83.25	75.00	7.04	25.00	0.00	7.57	87.23	5.20

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: Minnesota								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
St. Cloud AA	31	100.00	0.00	0.00	9.71	6.45	83.25	87.10	7.04	6.45	0.00	6.28	84.41	9.30

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: Minnesota				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*			
	#	% of Total**	% of Business***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
St. Cloud AA	2,067	100.00	0.00	0.00	13.74	21.00	78.26	72.04	8.01	6.97	0.00	13.67	77.27	9.06

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS														Geography: Minnesota				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>																
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp													
<b>Full Review:</b>																											
St. Cloud AA	27	100.00	0.00	0.00	10.27	18.52	87.65	81.48	2.08	0.00	0.00	5.79	94.21	0.00													

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Minnesota								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
St. Cloud AA	17	100.00	17.74	11.76	17.94	35.29	27.23	29.41	37.08	23.53	16.31	34.28	27.26	22.15

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Minnesota						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
St. Cloud AA	4	100.00	17.74	0.00	17.94	0.00	27.23	25.00	37.08	75.00	11.44	26.87	29.10	32.59

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: Minnesota				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
St. Cloud AA	31	100.00	17.74	9.68	17.94	25.81	27.23	32.26	37.08	32.26	11.24	23.98	30.02	34.75

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: Minnesota			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
St. Cloud AA	2,067	100.00	82.02	31.30	99.95	0.05	0.00	4,769	2,007	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 61.30% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Minnesota			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
St. Cloud AA	27	100.00	98.47	18.52	100.00	0.00	0.00	365	207

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 77.78% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Minnesota				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
St. Cloud AA	0	0	21	3,718	21	3,718	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

**State of New Jersey**

Table 1. Lending Volume

LENDING VOLUME		Geography: New Jersey						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Trenton AA	100.00	97	112,269	1,506	15,293	2	28	3	42,448	1,608	170,038	100.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: New Jersey				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	56	100.00	6.87	1.79	14.10	12.50	36.68	33.93	42.35	51.79	3.32	11.54	36.54	48.60

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: New Jersey				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	18	100.00	6.87	0.00	14.10	16.67	36.68	27.78	42.35	55.56	4.49	11.54	37.50	46.47

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: New Jersey						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	20	100.00	6.87	0.00	14.10	10.00	36.68	35.00	42.35	55.00	2.64	10.02	33.82	53.51

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: New Jersey								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	3	100.00	20.76	0.00	7.91	33.33	37.36	33.33	33.97	33.33	18.18	13.64	27.27	40.91

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: New Jersey				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*			
	#	% of Total**	% of Business***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	1,506	100.00	11.09	14.08	10.41	12.08	29.73	28.22	48.77	45.62	7.25	9.78	27.03	55.94

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: New Jersey								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	2	100.00	4.78	0.00	12.21	0.00	30.27	0.00	52.74	100.00	0.00	0.00	20.00	80.00

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: New Jersey								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	56	100.00	22.84	23.21	16.80	19.64	19.15	17.86	41.20	39.29	13.07	22.78	21.88	42.26

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: New Jersey						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	18	100.00	22.84	16.67	16.80	27.78	19.15	11.11	41.20	44.44	13.85	21.62	21.28	43.24

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: New Jersey				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Trenton AA	20	100.00	22.84	10.00	16.80	15.00	19.15	15.00	41.20	60.00	7.93	15.39	21.22	55.46

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: New Jersey			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Trenton AA	1,506	100.00	74.44	43.82	99.60	0.07	0.33	7,370	3,538

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 46.88% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: New Jersey			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Trenton AA	2	100.00	94.87	50.00	100.00	0.00	0.00	21	8

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 50.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: New Jersey				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Trenton AA	3	6,045	12	11,096	15	17,141	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																Geography: New Jersey			
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																			
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography					
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp		
<b>Full Review:</b>																			
Trenton AA	100.00	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	0	- 1	13.57	16.01	31.90	38.00		

State of Texas

Table 1. Lending Volume

LENDING VOLUME		Geography: Texas						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
<b>Full Review:</b>												
Dallas-Fort Worth AA	33.16	2,254	581,471	34,389	474,249	39	443	42	289,148	36,724	1,345,311	27.38
Houston AA	35.49	2,384	499,055	36,846	456,909	34	386	44	331,967	39,308	1,288,317	40.42
<b>Limited Review:</b>												
Austin AA	9.37	429	515,593	9,918	125,002	11	137	15	156,176	10,373	796,908	11.40
Beaumont AA	2.14	215	22,426	2,137	56,256	14	1,803	3	5,768	2,369	86,253	4.53
Brownsville AA	2.01	358	25,605	1,831	29,128	31	3,031	4	16,605	2,224	74,369	1.69
Corpus Christi AA	1.36	48	20,736	1,443	9,386	7	59	5	27,955	1,503	58,136	0.32
Longview AA	0.94	35	2,632	1,009	10,728	1	10	1	790	1,046	14,160	1.68
McAllen AA	2.74	238	15,408	2,772	26,421	22	1,081	4	3,275	3,036	46,185	1.17
San Antonio AA	6.10	254	92,208	6,488	66,274	8	92	7	81,032	6,757	239,606	2.87
Texarkana AA	0.73	99	7,803	708	20,273	5	150	1	1,580	813	29,806	1.29
Tyler AA	1.67	112	39,270	1,728	22,620	6	59	1	1,580	1,847	63,529	1.36
Victoria AA	0.44	23	1,904	461	3,695	2	33	1	0	486	5,632	0.45
Texas non-MSA AA	3.85	411	33,621	3,773	63,939	69	1,001	8	16,514	4,261	115,075	5.44

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: Texas		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016	
Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Dallas-Fort Worth AA	0	0	0	0	
Houston AA	0	0	4	27,964	
<b>Limited Review:</b>					
Austin AA	0	0	0	0	
Beaumont AA	0	0	0	0	
Brownsville AA	0	0	0	0	
Corpus Christi AA	0	0	0	0	
Longview AA	0	0	0	0	
McAllen AA	0	0	0	0	
San Antonio AA	0	0	1	18,000	
Texarkana AA	0	0	0	0	
Tyler AA	0	0	0	0	
Victoria AA	0	0	0	0	
Texas non-MSA AA	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: Texas				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>2</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans <sup>4</sup>	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	% Owner Occ Units <sup>3</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	941	37.58	5.00	5.21	19.73	20.51	30.93	27.63	44.34	46.65	1.89	10.69	31.11	56.30
Houston AA	902	36.02	4.13	4.32	20.72	21.84	29.74	30.71	45.41	43.13	1.53	10.44	30.07	57.96
<b>Limited Review:</b>														
Austin AA	196	7.83	5.09	6.63	16.44	19.90	36.16	32.65	42.32	40.82	3.40	16.08	39.07	41.45
Beaumont AA	69	2.76	2.86	0.00	21.51	17.39	41.86	24.64	33.77	57.97	0.39	7.81	42.49	49.30
Brownsville AA	109	4.35	0.98	0.00	23.63	16.51	47.56	47.71	27.84	35.78	0.27	10.13	43.25	46.36
Corpus Christi AA	12	0.48	8.26	0.00	19.96	8.33	35.18	25.00	36.59	66.67	1.98	5.86	33.03	59.13
Longview AA	11	0.44	1.76	9.09	20.42	18.18	44.32	54.55	33.51	18.18	0.61	15.06	42.20	42.13
McAllen AA	38	1.52	0.59	0.00	28.50	18.42	42.22	26.32	28.69	55.26	0.04	12.22	34.06	53.68
San Antonio AA	98	3.91	5.04	5.10	25.33	23.47	33.26	22.45	36.36	48.98	1.53	11.20	33.73	53.55
Texarkana AA	16	0.64	1.13	0.00	5.11	6.25	63.33	62.50	30.43	31.25	0.67	2.84	56.43	40.06
Tyler AA	26	1.04	1.20	0.00	21.75	11.54	42.20	30.77	34.85	57.69	0.37	11.32	42.02	46.30
Victoria AA	5	0.20	3.58	0.00	16.32	0.00	51.09	40.00	29.02	60.00	0.77	11.81	47.59	39.83
Texas non-MSA AA	81	3.23	0.63	0.00	10.64	17.28	57.93	58.02	30.80	24.69	0.60	7.29	56.30	35.81

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: Texas						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	467	25.33	5.00	9.64	19.73	37.69	30.93	19.91	44.34	32.76	2.29	11.05	24.33	62.33
Houston AA	574	31.13	4.13	4.36	20.72	29.09	29.74	28.92	45.41	37.63	2.27	11.73	25.21	60.80
<b>Limited Review:</b>														
Austin AA	56	3.04	5.09	5.36	16.44	21.43	36.16	39.29	42.32	33.93	4.33	13.58	32.89	49.21
Beaumont AA	74	4.01	2.86	6.76	21.51	16.22	41.86	52.70	33.77	24.32	0.91	9.52	45.35	44.22
Brownsville AA	142	7.70	0.98	0.00	23.63	35.21	47.56	41.55	27.84	23.24	0.45	22.62	46.61	30.32
Corpus Christi AA	21	1.14	8.26	23.81	19.96	42.86	35.18	28.57	36.59	4.76	4.40	14.12	36.57	44.91
Longview AA	16	0.87	1.76	6.25	20.42	50.00	44.32	18.75	33.51	25.00	1.39	18.75	47.22	32.64
McAllen AA	125	6.78	0.59	0.00	28.50	41.60	42.22	34.40	28.69	24.00	0.36	29.64	38.93	31.07
San Antonio AA	58	3.15	5.04	8.62	25.33	31.03	33.26	34.48	36.36	25.86	4.50	19.95	27.83	47.72
Texarkana AA	41	2.22	1.13	2.44	5.11	4.88	63.33	75.61	30.43	17.07	0.00	5.44	53.06	41.50
Tyler AA	49	2.66	1.20	0.00	21.75	30.61	42.20	48.98	34.85	20.41	0.34	15.15	41.41	43.10
Victoria AA	15	0.81	3.58	6.67	16.32	13.33	51.09	66.67	29.02	13.33	5.38	12.90	50.54	31.18
Texas non-MSA AA	206	11.17	0.63	0.49	10.64	16.99	57.93	56.80	30.80	25.73	1.25	9.43	54.32	35.00

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: Texas				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	816	33.53	5.00	5.02	19.73	20.47	30.93	23.04	44.34	51.47	1.30	9.01	28.10	61.59
Houston AA	890	36.57	4.13	4.04	20.72	21.91	29.74	30.45	45.41	43.60	1.40	9.89	26.32	62.39
<b>Limited Review:</b>														
Austin AA	163	6.70	5.09	5.52	16.44	20.25	36.16	34.97	42.32	39.26	3.61	13.33	35.43	47.63
Beaumont AA	68	2.79	2.86	1.47	21.51	25.00	41.86	39.71	33.77	33.82	0.79	7.99	41.58	49.64
Brownsville AA	105	4.31	0.98	0.95	23.63	23.81	47.56	40.00	27.84	35.24	0.14	8.82	48.80	42.24
Corpus Christi AA	11	0.45	8.26	0.00	19.96	0.00	35.18	54.55	36.59	45.45	1.70	7.14	33.71	57.45
Longview AA	8	0.33	1.76	0.00	20.42	25.00	44.32	62.50	33.51	12.50	0.54	13.21	45.82	40.43
McAllen AA	74	3.04	0.59	0.00	28.50	27.03	42.22	35.14	28.69	37.84	0.15	13.39	32.44	54.03
San Antonio AA	96	3.94	5.04	6.25	25.33	22.92	33.26	36.46	36.36	34.38	1.47	11.66	33.36	53.51
Texarkana AA	41	1.68	1.13	0.00	5.11	4.88	63.33	63.41	30.43	31.71	0.17	1.70	52.47	45.66
Tyler AA	35	1.44	1.20	0.00	21.75	22.86	42.20	48.57	34.85	28.57	0.34	11.04	41.08	47.53
Victoria AA	3	0.12	3.58	0.00	16.32	33.33	51.09	66.67	29.02	0.00	0.20	9.80	45.80	44.20
Texas non-MSA AA	124	5.09	0.63	0.00	10.64	8.87	57.93	67.74	30.80	23.39	0.63	6.56	53.50	39.31

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Texas					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	30	39.47	20.11	33.33	30.08	40.00	30.14	13.33	19.67	13.33	24.61	29.13	28.35	17.91
Houston AA	18	23.68	22.70	16.67	30.81	0.00	21.32	16.67	25.17	66.67	20.72	35.91	22.65	20.72
<b>Limited Review:</b>														
Austin AA	14	18.42	23.27	21.43	26.97	7.14	28.83	21.43	20.93	50.00	27.78	27.78	26.54	17.90
Beaumont AA	3	3.95	9.18	0.00	28.39	0.00	31.45	100.00	30.98	0.00	5.26	31.58	31.58	31.58
Brownsville AA	2	2.63	2.73	0.00	20.10	50.00	35.34	50.00	41.83	0.00	7.14	21.43	39.29	32.14
Corpus Christi AA	4	5.26	12.30	25.00	9.40	25.00	39.48	0.00	38.82	50.00	14.29	14.29	23.81	47.62
Longview AA	0	0.00	1.34	0.00	26.74	0.00	49.23	0.00	22.68	0.00	0.00	33.33	40.00	26.67
McAllen AA	0	0.00	0.90	0.00	19.04	0.00	36.51	0.00	43.55	0.00	0.00	11.11	49.21	39.68
San Antonio AA	2	2.63	7.37	0.00	35.76	0.00	31.56	50.00	25.31	50.00	16.51	35.78	26.61	21.10
Texarkana AA	1	1.32	10.44	0.00	25.23	0.00	44.19	100.00	20.15	0.00	0.00	12.50	50.00	37.50
Tyler AA	2	2.63	8.79	0.00	24.01	0.00	37.46	50.00	29.74	50.00	0.00	18.75	31.25	50.00
Victoria AA	0	0.00	2.40	0.00	33.82	0.00	45.36	0.00	18.42	0.00	0.00	16.67	83.33	0.00
Texas non-MSA AA	0	0.00	2.15	0.00	27.35	0.00	46.62	0.00	23.89	0.00	0.00	29.41	41.18	29.41

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: Texas				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	34,378	33.23	7.20	8.12	18.92	19.66	27.36	27.08	46.30	45.14	7.80	18.45	25.28	48.47
Houston AA	36,834	35.60	8.08	9.32	19.32	20.49	24.84	27.01	47.69	43.17	7.89	18.55	24.78	48.79
<b>Limited Review:</b>														
Austin AA	9,913	9.58	6.71	7.12	16.36	17.49	29.15	33.75	47.69	41.63	6.79	16.51	28.99	47.70
Beaumont AA	2,136	2.06	2.64	4.31	26.52	28.04	36.59	33.57	34.05	34.08	2.10	25.32	35.31	37.27
Brownsville AA	1,831	1.77	3.83	6.55	27.51	30.53	36.97	39.21	31.38	23.70	4.35	26.61	39.41	29.63
Corpus Christi AA	1,441	1.39	16.95	18.39	18.19	18.95	33.31	29.01	31.26	33.66	18.04	18.54	30.38	33.04
Longview AA	1,009	0.98	0.64	2.68	33.75	37.76	38.63	34.29	26.78	25.27	0.65	32.19	38.92	28.24
McAllen AA	2,770	2.68	0.41	1.05	22.72	23.68	36.21	34.62	40.54	40.65	0.28	22.20	34.36	43.16
San Antonio AA	6,482	6.27	5.49	6.03	22.98	23.28	30.70	29.91	40.54	40.77	5.83	21.00	28.36	44.81
Texarkana AA	708	0.68	6.68	9.89	6.50	10.59	50.78	46.05	36.05	33.47	4.82	6.08	46.46	42.63
Tyler AA	1,727	1.67	8.26	10.60	20.01	20.73	34.81	33.47	36.75	35.21	7.49	17.97	34.95	39.59
Victoria AA	461	0.45	3.00	9.76	20.60	26.25	50.66	37.74	25.66	26.25	4.39	20.68	47.54	27.39
Texas non-MSA AA	3,773	3.65	1.20	2.41	15.78	16.33	53.85	51.87	29.17	29.39	1.29	14.19	52.96	31.56

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: Texas						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	39	15.66	5.28	2.56	18.15	17.95	32.18	41.03	44.33	38.46	1.94	8.23	42.62	47.22
Houston AA	34	13.65	4.76	0.00	16.57	11.76	32.87	44.12	45.80	44.12	1.66	10.37	47.51	40.46
<b>Limited Review:</b>														
Austin AA	11	4.42	4.51	0.00	19.31	36.36	34.44	45.45	41.74	18.18	1.88	30.99	36.15	30.99
Beaumont AA	14	5.62	2.21	0.00	15.48	7.14	37.76	14.29	44.56	78.57	0.00	7.25	23.19	69.57
Brownsville AA	31	12.45	1.07	0.00	15.78	6.45	49.68	64.52	33.48	29.03	0.00	7.94	53.97	38.10
Corpus Christi AA	7	2.81	8.55	0.00	14.09	14.29	38.08	14.29	39.13	71.43	9.52	17.46	38.10	34.92
Longview AA	1	0.40	0.37	0.00	21.72	0.00	43.82	100.00	34.08	0.00	0.00	13.33	40.00	46.67
McAllen AA	22	8.84	1.04	0.00	29.43	59.09	32.42	22.73	37.11	18.18	3.30	28.57	40.66	27.47
San Antonio AA	8	3.21	4.00	0.00	17.54	37.50	36.14	12.50	42.29	50.00	2.76	22.07	44.14	31.03
Texarkana AA	5	2.01	0.70	0.00	4.55	0.00	64.34	80.00	30.42	20.00	0.00	3.96	75.25	20.79
Tyler AA	6	2.41	2.31	0.00	19.36	16.67	45.95	66.67	32.37	16.67	0.56	18.44	58.66	22.35
Victoria AA	2	0.80	0.33	0.00	7.89	0.00	62.50	100.00	29.28	0.00	0.92	2.75	62.39	33.94
Texas non-MSA AA	69	27.71	0.30	0.00	6.23	15.94	58.38	53.62	35.08	30.43	0.08	6.42	62.62	30.88

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Texas						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	941	37.55	22.85	11.11	16.75	22.54	18.33	20.94	42.06	45.41	4.74	15.75	21.44	58.08
Houston AA	902	35.99	23.68	11.62	16.47	24.13	17.50	21.23	42.36	43.02	3.69	15.23	22.29	58.79
<b>Limited Review:</b>														
Austin AA	196	7.82	21.28	12.31	17.16	16.41	19.59	21.54	41.97	49.74	3.51	15.99	24.05	56.45
Beaumont AA	70	2.79	24.22	8.70	16.68	14.49	17.84	21.74	41.27	55.07	3.73	15.26	28.95	52.06
Brownsville AA	109	4.35	24.34	3.74	15.96	41.12	17.55	24.30	42.14	30.84	0.49	7.23	16.87	75.41
Corpus Christi AA	12	0.48	24.72	0.00	16.24	0.00	17.38	25.00	41.66	75.00	2.07	11.36	24.09	62.48
Longview AA	11	0.44	22.16	0.00	17.82	18.18	19.09	36.36	40.93	45.45	3.58	17.50	26.17	52.74
McAllen AA	39	1.56	25.27	2.63	15.52	10.53	16.77	10.53	42.44	76.32	0.67	5.47	15.91	77.95
San Antonio AA	98	3.91	23.37	12.50	17.23	16.67	19.25	22.92	40.15	47.92	4.04	16.51	27.90	51.55
Texarkana AA	16	0.64	21.82	18.75	15.72	12.50	18.98	12.50	43.48	56.25	4.15	16.32	26.24	53.29
Tyler AA	26	1.04	21.56	3.85	17.22	26.92	19.54	30.77	41.68	38.46	3.28	14.90	26.06	55.76
Victoria AA	5	0.20	23.47	20.00	16.09	0.00	19.77	20.00	40.67	60.00	3.76	15.38	24.96	55.90
Texas non-MSA AA	81	3.23	20.59	3.75	17.39	20.00	18.92	27.50	43.09	48.75	3.09	14.65	22.34	59.92

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Texas						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	467	25.33	22.85	12.23	16.75	26.39	18.33	28.11	42.06	33.26	7.21	11.15	15.51	66.13
Houston AA	574	31.13	23.68	11.07	16.47	24.25	17.50	27.59	42.36	37.08	6.78	10.76	16.21	66.25
<b>Limited Review:</b>														
Austin AA	56	3.04	21.28	8.93	17.16	21.43	19.59	23.21	41.97	46.43	4.60	12.46	20.64	62.31
Beaumont AA	74	4.01	24.22	16.22	16.68	31.08	17.84	21.62	41.27	31.08	5.81	14.65	20.70	58.84
Brownsville AA	142	7.70	24.34	7.04	15.96	17.61	17.55	23.94	42.14	51.41	7.43	13.86	13.86	64.85
Corpus Christi AA	21	1.14	24.72	14.29	16.24	23.81	17.38	33.33	41.66	28.57	12.59	15.06	17.28	55.06
Longview AA	16	0.87	22.16	18.75	17.82	18.75	19.09	25.00	40.93	37.50	7.25	13.77	18.84	60.14
McAllen AA	125	6.78	25.27	5.60	15.52	16.00	16.77	30.40	42.44	48.00	7.58	10.78	15.17	66.47
San Antonio AA	58	3.15	23.37	12.28	17.23	33.33	19.25	24.56	40.15	29.82	14.57	13.57	20.45	51.40
Texarkana AA	41	2.22	21.82	14.63	15.72	24.39	18.98	12.20	43.48	48.78	6.62	13.24	22.79	57.35
Tyler AA	49	2.66	21.56	16.33	17.22	28.57	19.54	34.69	41.68	20.41	7.02	12.63	18.95	61.40
Victoria AA	15	0.81	23.47	6.67	16.09	13.33	19.77	40.00	40.67	40.00	6.41	10.26	20.51	62.82
Texas non-MSA AA	206	11.17	20.59	8.29	17.39	20.98	18.92	25.85	43.09	44.88	7.17	13.49	15.92	63.43

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.4% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: Texas						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Ft Worth AA	816	33.53	22.85	10.74	16.75	18.02	18.33	23.46	42.06	47.78	4.52	12.34	20.30	62.85
Houston AA	890	36.57	23.68	11.92	16.47	22.38	17.50	24.75	42.36	40.94	4.68	11.77	19.69	63.86
<b>Limited Review:</b>														
Austin AA	163	6.70	21.28	13.04	17.16	17.39	19.59	26.71	41.97	42.86	4.33	14.31	22.51	58.85
Beaumont AA	68	2.79	24.22	7.35	16.68	19.12	17.84	30.88	41.27	42.65	3.44	9.99	20.07	66.50
Brownsville AA	105	4.31	24.34	3.88	15.96	21.36	17.55	14.56	42.14	60.19	1.85	4.99	10.80	82.36
Corpus Christi AA	11	0.45	24.72	9.09	16.24	0.00	17.38	27.27	41.66	63.64	4.38	9.90	21.90	63.81
Longview AA	8	0.33	22.16	12.50	17.82	37.50	19.09	12.50	40.93	37.50	3.75	13.70	24.58	57.97
McAllen AA	74	3.04	25.27	5.41	15.52	14.86	16.77	16.22	42.44	63.51	1.49	5.08	12.39	81.04
San Antonio AA	96	3.94	23.37	9.38	17.23	26.04	19.25	30.21	40.15	34.38	5.85	14.25	24.68	55.23
Texarkana AA	41	1.68	21.82	10.00	15.72	12.50	18.98	37.50	43.48	40.00	4.19	12.33	24.89	58.59
Tyler AA	35	1.44	21.56	8.57	17.22	14.29	19.54	22.86	41.68	54.29	4.64	13.49	23.56	58.32
Victoria AA	3	0.12	23.47	0.00	16.09	0.00	19.77	33.33	40.67	66.67	5.10	10.20	20.96	63.74
Texas non-MSA AA	124	5.09	20.59	9.68	17.39	19.35	18.92	24.19	43.09	46.77	2.78	10.27	18.36	68.59

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.5% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: Texas		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Dallas-Ft Worth AA	34,389	33.23	79.09	51.16	98.75	0.43	0.82	124,620	61,119
Houston AA	36,846	35.60	79.08	56.70	98.83	0.56	0.60	128,896	60,630
<b>Limited Review:</b>									
Austin AA	9,918	9.58	78.31	53.10	99.13	0.36	0.50	39,053	19,424
Beaumont AA	2,137	2.06	76.45	53.58	96.12	1.45	2.43	5,022	2,218
Brownsville AA	1,831	1.77	74.68	60.95	97.76	0.82	1.42	4,681	2,449
Corpus Christi AA	1,443	1.39	75.79	36.45	99.86	0.07	0.07	4,848	2,258
Longview AA	1,009	0.97	73.68	38.55	99.11	0.40	0.50	3,014	1,348
McAllen AA	2,772	2.68	77.76	54.15	99.24	0.40	0.36	9,499	4,574
San Antonio AA	6,488	6.27	78.29	46.62	99.20	0.29	0.51	27,730	12,967
Texarkana AA	708	0.68	76.16	53.53	94.63	2.54	2.82	1,552	804
Tyler AA	1,728	1.67	78.97	44.85	98.78	0.64	0.58	4,703	2,321
Victoria AA	461	0.45	75.73	33.62	99.78	0.22	0.00	1,564	665
Texas non-MSA AA	3,773	3.65	77.95	49.59	97.75	1.03	1.22	9,175	4,577

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 37.12% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Texas			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Dallas-Ft Worth AA	39	15.66	95.60	43.59	100.00	0.00	0.00	423	228
Houston AA	34	13.65	96.15	67.65	100.00	0.00	0.00	500	291
<b>Limited Review:</b>									
Austin AA	11	4.42	96.27	63.64	100.00	0.00	0.00	216	117
Beaumont AA	14	5.62	99.32	78.57	64.29	14.29	21.43	69	50
Brownsville AA	31	12.45	95.52	77.42	67.74	22.58	9.68	66	33
Corpus Christi AA	7	2.81	98.20	42.86	100.00	0.00	0.00	65	31
Longview AA	1	0.40	96.63	0.00	100.00	0.00	0.00	30	24
McAllen AA	22	8.84	94.53	36.36	86.36	9.09	4.55	98	34
San Antonio AA	8	3.21	96.54	37.50	100.00	0.00	0.00	148	83
Texarkana AA	5	2.01	96.50	100.00	100.00	0.00	0.00	101	81
Tyler AA	6	2.41	96.97	50.00	100.00	0.00	0.00	179	145
Victoria AA	2	0.80	99.01	0.00	100.00	0.00	0.00	111	77
Texas non-MSA AA	69	27.71	97.22	63.77	100.00	0.00	0.00	1,305	1,001

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 34.14% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Texas				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Dallas-Fort Worth AA	10	35,326	190	67,514	200	102,840	17.86	0	0
Houston AA	24	97,263	122	96,289	146	193,552	33.61	0	0
<b>Limited Review:</b>									
Austin AA	7	14,515	36	33,147	43	47,662	8.28	0	0
Beaumont AA	7	26,065	26	134	33	26,199	4.55	0	0
Brownsville AA	7	18,819	18	29,576	25	48,395	8.40	0	0
Corpus Christi AA	7	14,959	4	13,574	11	28,533	4.96	0	0
Longview AA	1	369	8	2,783	9	3,152	0.55	0	0
McAllen AA	2	2,436	13	21,961	15	24,397	4.24	0	0
San Antonio AA	7	34,073	30	31,797	37	65,870	11.44	0	0
Texarkana AA	1	5,454	11	60	12	5,514	0.96	0	0
Tyler AA	1	1,000	7	5,037	8	6,037	1.05	0	0
Victoria AA	2	2,154	2	15	4	2,169	0.38	0	0
Texas non-MSA AA	3	5,463	25	16,057	28	21,520	3.74	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: Texas							
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Dallas-Ft Worth AA	27.38	36	28.80	8.33	13.89	13.89	63.89	6	12	0	- 1	- 4	- 1	10.36	25.54	29.29	34.81
Houston AA	40.42	41	32.80	14.63	14.63	14.63	56.10	4	13	- 3	- 1	- 2	- 3	9.52	25.82	28.43	35.93
<b>Limited Review:</b>																	
Austin AA	11.40	7	5.60	28.57	14.29	28.57	28.57	2	10	0	- 1	- 4	- 3	11.50	21.97	33.86	32.53
Beaumont AA	4.53	6	4.80	0.00	50.00	16.67	33.33	0	4	0	- 1	0	- 3	5.65	25.16	36.52	30.19
Brownsville AA	1.69	6	4.80	16.67	16.67	33.33	33.33	0	0	0	0	0	0	1.86	28.20	47.90	22.03
Corpus Christi AA	0.32	0	0.00	0.00	0.00	0.00	0.00	0	2	0	0	- 1	- 1	12.10	22.69	34.15	30.69
Longview AA	1.68	2	1.60	0.00	0.00	50.00	50.00	0	2	0	0	- 2	0	2.48	29.74	39.74	28.03
McAllen AA	1.17	5	4.00	0.00	40.00	20.00	40.00	0	0	0	0	0	0	0.68	32.44	41.25	25.24
San Antonio AA	2.87	7	5.60	0.00	0.00	57.14	42.86	0	0	0	0	0	0	7.43	30.61	31.47	30.49
Texarkana AA	1.29	1	0.80	0.00	0.00	100.00	0.00	0	5	- 2	0	- 2	- 1	3.12	7.36	62.01	27.51
Tyler AA	1.36	1	0.80	0.00	0.00	0.00	100.00	0	3	- 1	0	- 1	- 1	3.33	26.76	39.09	30.82
Victoria AA	0.45	1	0.80	0.00	0.00	0.00	100.00	0	0	0	0	0	0	5.03	22.70	49.72	22.55
Texas non-MSA AA	5.44	12	9.60	0.00	16.67	41.67	41.67	0	7	0	- 2	- 5	0	0.00	14.26	54.40	31.35

Commonwealth of Virginia

Table 1. Lending Volume

LENDING VOLUME		Geography: Virginia						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Richmond AA	88.76	707	224,476	5,075	52,288	6	85	1	17,300	5,789	294,149	83.25
<b>Limited Review:</b>												
Charlottesville AA	11.24	23	6,220	702	6,714	7	89	1	7,250	733	20,273	16.75

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

\*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: Virginia						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Richmond AA	393	97.04	4.22	3.56	16.19	18.32	35.57	28.24	44.02	49.87	3.01	13.71	33.39	49.90
<b>Limited Review:</b>														
Charlottesville AA	12	2.96	0.89	8.33	9.53	25.00	46.17	41.67	43.41	25.00	1.18	8.16	50.57	40.09

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: Virginia								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Richmond AA	40	95.24	4.22	0.00	16.19	15.00	35.57	20.00	44.02	65.00	3.24	17.51	32.49	46.76
<b>Limited Review:</b>														
Charlottesville AA	2	4.76	0.89	0.00	9.53	0.00	46.17	0.00	43.41	100.00	1.95	13.36	54.72	29.97

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: Virginia								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Richmond AA	269	96.76	4.22	3.35	16.19	17.10	35.57	28.25	44.02	51.30	2.36	11.97	32.19	53.49
<b>Limited Review:</b>														
Charlottesville AA	9	3.24	0.89	0.00	9.53	11.11	46.17	33.33	43.41	55.56	1.08	8.53	47.61	42.78

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Virginia						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate HMDA Lending (%) by Tract Income <sup>1</sup>			
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>**</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Richmond AA	5	100.00	14.77	0.00	34.90	20.00	26.69	40.00	23.64	40.00	22.54	22.54	33.80	21.13
<b>Limited Review:</b>														
Charlottesville AA	0	0.00	13.81	0.00	21.10	0.00	40.44	0.00	24.65	0.00	31.58	5.26	57.89	5.26

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: Virginia				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>†</sup>				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Richmond AA	5,075	87.88	5.53	6.33	20.71	24.32	31.92	29.04	41.71	40.32	5.78	18.17	30.94	45.10	
<b>Limited Review:</b>															
Charlottesville AA	700	12.12	2.59	8.14	6.04	11.86	43.84	39.29	46.52	40.71	2.84	6.28	45.45	45.42	

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: Virginia								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		The aggregate percentage of all reporting lenders. (%) by Tract Income <sup>1</sup>			
	#	% of Total**	% of Farms*	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Richmond AA	6	46.15	3.01	0.00	15.50	16.67	35.55	16.67	45.93	66.67	1.75	10.53	40.35	47.37
<b>Limited Review:</b>														
Charlottesville AA	7	53.85	0.36	0.00	10.53	0.00	39.93	28.57	49.18	71.43	0.00	7.69	48.72	43.59

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Virginia								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Richmond AA	393	97.04	20.74	12.72	17.32	18.32	20.44	23.41	41.49	45.55	11.75	26.42	23.46	38.37
<b>Limited Review:</b>														
Charlottesville AA	12	2.96	19.00	0.00	14.92	16.67	19.27	33.33	46.81	50.00	6.14	19.96	22.81	51.09

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Virginia						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Richmond AA	40	95.24	20.74	7.50	17.32	17.50	20.44	25.00	41.49	50.00	14.55	22.67	24.15	38.63
<b>Limited Review:</b>														
Charlottesville AA	2	4.76	19.00	0.00	14.92	0.00	19.27	50.00	46.81	50.00	11.84	18.42	22.04	47.70

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: Virginia						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		The aggregate percentage of all reporting lenders. Data *			
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Richmond AA	269	96.76	20.74	11.94	17.32	18.66	20.44	19.40	41.49	50.00	8.92	20.24	23.82	47.01
<b>Limited Review:</b>														
Charlottesville AA	9	3.24	19.00	22.22	14.92	0.00	19.27	33.33	46.81	44.44	8.52	15.76	21.63	54.08

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.4% of loans originated and purchased by BANK.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: Virginia			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Richmond AA	5,075	87.85	78.54	45.83	99.19	0.57	0.24	17,168	9,111
<b>Limited Review:</b>									
Charlottesville AA	702	12.15	78.13	44.44	99.86	0.14	0.00	3,180	1,568

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 43.19% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Virginia			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			The aggregate of all reporting lenders. Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Richmond AA	6	46.15	97.25	50.00	100.00	0.00	0.00	58	26
<b>Limited Review:</b>									
Charlottesville AA	7	53.85	98.19	42.86	100.00	0.00	0.00	39	25

\* Based on 2015 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 46.15% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Virginia				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Richmond AA	4	6,430	18	9,112	22	15,542	61.86	0	0
<b>Limited Review:</b>									
Charlottesville AA	7	9,482	10	100	17	9,582	38.14	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: STATE VA							
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Richmond AA	83.25	1	100.00	0.00	0.00	0.00	100.00	0	1	0	0	0	- 1	7.64	20.01	32.89	39.47
<b>Limited Review:</b>																	
Charlottesville AA	16.75	0	0.00	0.00	0.00	0.00	0.00	0	1	0	0	- 1	0	7.00	11.69	45.73	33.75