



**PUBLIC DISCLOSURE**

September 3, 2024

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

The National Capital Bank of Washington  
**Charter Number 4107**

316 Pennsylvania Avenue S.E.  
Washington, DC 20003

Office of the Comptroller of the Currency

400 7th Street S.W.  
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.

## Table of Contents

Overall CRA Rating.....	2
Description of Institution.....	3
Scope of the Evaluation.....	4
Discriminatory or Other Illegal Credit Practices Review.....	4
Multistate Metropolitan Statistical Area Rating.....	5
(Washington MMSA).....	5
Community Development Test .....	9
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

## Overall CRA Rating

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

**The lending test is rated: Satisfactory.**

**The community development test is rated: Outstanding.**

The major factors that support this rating include:

- The Lending Test rating is based on the bank's record of performance in meeting credit needs of the assessment area (AA):
  - The loan-to-deposit (LTD) ratio is reasonable.
  - The bank originated a substantial majority of loans within the AA.
  - The distribution of loans to businesses of different sizes is reasonable.
- The Community Development (CD) Test rating is based on the aggregate assessment of the bank's CD activities for loans, investments, and services in the bank's AA:
  - CD activities demonstrate an excellent responsiveness to the credit needs of the AA, considering the bank's capacity and the need and availability of such opportunities in the AA.

### Loan-to-Deposit Ratio

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

The bank's quarterly net LTD ratio averaged 73.9 percent during the evaluation period and ranged from a quarterly low of 50.02 percent as of December 31, 2021 to a quarterly high of 84.4 percent as of December 31, 2023. The ratio is calculated on a bank-wide basis. The quarterly average net LTD ratio for a peer group of three similarly situated institutions with assets ranging from \$739.3 million to \$1.4 billion was 78.4 percent over the same period and ranged from a quarterly low of 57.3 percent to a quarterly high of 93.6 percent.

### Lending in Assessment Area

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

The bank originated and purchased 92.6 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
2021	139	92.1	12	7.9	151	13,672	93.4	965	6.6	14,637
2022-2023	35	94.6	2	5.4	37	11,035	90.6	1,150	9.4	12,185
<b>Total</b>	174	92.6	14	7.4	188	24,707	92.1	2,115	7.9	26,822

## Description of Institution

The National Capital Bank of Washington (NCB, bank, or institution) is a federally chartered interstate community bank headquartered in Washington, DC. NCB is wholly owned by National Capital Bancorp, Inc. The bank does not have any operating subsidiaries or affiliates.

The bank's AA is located within the Washington-Arlington-Alexandria, DC-VA-MD-WV Multistate MSA 47900, which is unchanged from the previous performance evaluation (PE). The AA is comprised of the following metropolitan divisions:

- Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division #47894:
  - Washington, District of Columbia; Prince George's County, Maryland; Arlington and Fairfax counties, Virginia; Alexandria, Fairfax and Falls Church cities, Virginia.
- Frederick-Gaithersburg-Rockville, Metropolitan Division #23224:
  - Montgomery County, Maryland.

For purposes of this evaluation, the two metropolitan divisions were analyzed together and are presented in the PE as a single AA. The AA meets the requirements of the CRA and does not arbitrarily exclude any low- or moderate-income (LMI) geographies.

During the evaluation period, the bank operated four full-service branches, including the main office, in three states within the Washington D.C. MMSA. The main office serves as the bank's executive office and residential mortgage and commercial lending center and includes a branch. None of the bank's branches are located in LMI geographies. No branches have been closed, and no merger or acquisition activities have occurred since the previous evaluation.

The bank offers a wide range of products and services while maintaining a community bank focus. Lending products include various home mortgage and commercial loan types. Deposit products encompass a range of checking and savings accounts for both individuals and businesses. The bank provides alternative banking services and operates a wealth management division, offering financial planning and investment services to individuals, families, and non-profits. Additionally, the bank participates in Small Business Association (SBA) 7(a) and 504 programs.

NCB actively participated in the Paycheck Protection Program (PPP) from April 2020 until the program ended on May 31, 2021. In 2021, the bank originated 225 PPP loans totaling approximately \$45.9 million. As an Intermediate Small Bank, the bank had the option to consider PPP loans under either the Lending Test or the CD Test. A sample of PPP loans was evaluated under the Lending Test, while the remaining loans were considered under the CD Test.

As of December 31, 2023, NCB reported total assets of \$702.8 million, total deposits of \$583.1 million, and \$74.2 million in tier 1 capital. Net loans and leases totaled \$492.3 million, representing 70.1 percent of total assets. The loan portfolio consisted of 93.3 percent real estate loans, 6.7 percent commercial loans, and less than 1.0 percent individual loans.

There are no financial or legal impediments hindering NCB's ability to help meet the credit needs of the communities it services. The bank received an "Outstanding" rating during its last Intermediate Small Bank CRA evaluation dated July 6, 2021.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

Consistent with NCB's business strategy, OCC examiners reviewed the bank's primary product of loans to businesses. This evaluation also included an assessment of the bank's community development lending, investments and donations, and services activities. The evaluation period for both the lending test and CD test is January 1, 2021, through December 31, 2023.

The evaluation period included two census periods. The analysis of small business lending in 2021 focused on comparison of the bank's performance with 2021 data from Dunn & Bradstreet (D&B) and aggregate CRA (small business) data. In 2022-2023, the analysis of small business lending focused on comparison with 2022 D&B data and aggregate CRA data. Deposit data was as of June 30, 2022, and based on information from the Federal Deposit Insurance Corporation (FDIC).

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

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

### **Ratings**

The bank's overall rating is the MMSA rating. All the interstate branches fall within the same MMSA; therefore, the conclusions formed, and ratings assigned are based on a full-scope review of the bank's single AA. Refer to the "Scope" section under MMSA rating section for details regarding how the areas were weighted in arriving at the respective rating.

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

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

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

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

## Multistate Metropolitan Statistical Area Rating

### Washington MMSA

**CRA rating for the Washington MMSA<sup>1</sup>:** Satisfactory.

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

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

The major factors that support this rating include:

- Reasonable distribution of lending to businesses of different sizes in the AA.
- Excellent responsiveness to the credit needs through CD activities in the AA.

### Description of Institution's Operations in Washington MMSA

The products and services in the MMSA are provided through NCB's four full-service branches located in Washington, D.C., Maryland, and Virginia. There have been no changes to the bank's AA since the previous evaluation. Please refer to the Description of Institution section for further details regarding the composition of the AA.

According to the June 30, 2023, FDIC Deposit Market Share Report, there were 157 financial institutions within the bank's AA operating 977 full-service branches with aggregate deposits of \$470.5 billion. NCB ranked 27th with less than 1.0 percent deposit market share. The largest competitors within the AA were Capital One N.A. with a 23 percent market share, Bank of America, N.A. with a 16.7 percent market share, and Truist Bank with a 12.5 percent market share.

Competition is significant for small business lending in the bank's AA. Based on 2022 Peer Small Business Data, 210 lenders reported 128,294 small business loans originated or purchased in the bank's AA. The top three small business loan reporters in 2022 were American Express National Bank, JP Morgan Chase Bank N.A., and Bank of America, N.A. with a combined market share of 58.9 percent. NCB is not required to publicly report small business lending data. As a result, NCB is not captured on the small business lending market share report.

The evaluation period considers demographic information from both the 2010 U.S. Census with 2015 American Community Survey (ACS) data and the 2020 U.S. Census. The following tables provide a summary of the demographics, including housing and business information, for the Washington MMSA for each analysis period.

---

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

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: NCB 2015 ACS</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	975	11.9	20.5	30.9	35.4	1.3
Population by Geography	4,096,851	11.3	19.8	32.5	35.7	0.7
Housing Units by Geography	1,624,226	11.4	19.7	32.3	36.0	0.6
Owner-Occupied Units by Geography	890,622	4.7	15.8	34.7	44.7	0.2
Occupied Rental Units by Geography	624,921	19.9	24.8	29.6	24.7	1.1
Vacant Units by Geography	108,683	17.7	22.3	28.8	30.6	0.6
Businesses by Geography	538,910	5.5	17.7	34.3	42.0	0.6
Farms by Geography	6,290	5.0	17.1	36.7	41.0	0.2
Family Distribution by Income Level	941,445	22.9	16.1	19.2	41.9	0.0
Household Distribution by Income Level	1,515,543	23.9	16.4	18.3	41.4	0.0
Median Family Income MSA - 23224 Frederick-Gaithersburg-Rockville, MD		\$112,655	Median Housing Value			\$443,810
Median Family Income MSA - 47894 Washington-Arlington-Alexandria, DC-VA- MD-WV		\$106,105	Median Gross Rent			\$1,567
			Families Below Poverty Level			6.2%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: NCB 2020 US Census</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,053	10.2	21.5	29.9	36.8	1.7
Population by Geography	4,306,030	9.9	22.5	31.4	35.5	0.7
Housing Units by Geography	1,666,931	10.2	21.6	31.7	36.0	0.6
Owner-Occupied Units by Geography	923,365	4.7	17.3	33.8	43.9	0.2
Occupied Rental Units by Geography	646,329	17.7	27.2	29.1	25.0	1.0
Vacant Units by Geography	97,237	13.2	24.1	28.0	33.4	1.3
Businesses by Geography	691,366	5.7	19.4	33.9	40.4	0.7
Farms by Geography	8,060	5.0	19.6	35.1	40.2	0.1
Family Distribution by Income Level	962,669	22.3	16.2	19.3	42.2	0.0
Household Distribution by Income Level	1,569,694	23.8	16.1	18.8	41.2	0.0
Median Family Income MSA - 23224 Frederick-Gaithersburg-Rockville, MD		\$129,092	Median Housing Value			\$511,366
Median Family Income MSA - 47894 Washington-Arlington-Alexandria, DC-VA- MD-WV		\$126,224	Median Gross Rent			\$1,767
			Families Below Poverty Level			5.5%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### ***Economic Factors***

The August 2023 Moody's Analytics report highlighted that the Washington-Arlington-Alexandria economy was nearing full recovery, with consistent job growth allowing the region to align with regional and national averages. The healthcare sector stood out as a significant driver of employment, with hospitals and healthcare providers expanding their payrolls at a faster rate than providers in the Northeast and across the U.S. since May. The labor force grew rapidly in 2023, surpassing pre-pandemic levels, while the unemployment rate dropped to a record low in July, indicating effective absorption of new workers. Although the public sector remains a crucial economic pillar, it poses a downside risk due to potential government shutdowns. The report forecasts that the region's economy will outperform regional and national averages through the first half of 2024, driven by healthcare and secondary industries, while government payrolls remain stable. In the long term, the area is expected to keep pace with U.S. growth, supported by favorable demographics and its emergence as an East Coast tech hub.

The report also identified several strengths and weaknesses of the Washington-Arlington-Alexandria MSA. Strengths include high per capita income, an educated workforce, status as a major center for computer systems design and tech-related professional services, and popularity as a tourist destination. However, challenges such as exposure to downturns in tourism, above-average living costs, high reliance on federal government employment, and significant business and regulatory costs were noted. Key employers in the region include Naval Support Activity Washington, Joint Base Andrews-Naval Air Facility, MedStar Health, Marriott International Inc., and Inova Health System, reflecting the area's diverse economic base in defense, healthcare, and hospitality sectors.

According to the Bureau of Labor Statistics, as of December 31, 2023 the unemployment rate for the Washington MSA was 3.7 percent. The unemployment rate for the District of Columbia was 4.7 percent and the national unemployment rate was 2.5 percent.

### ***Community Contacts***

To assess community needs, the OCC reviewed five community contacts conducted by other regulatory agencies for neighboring banks in the bank's AA. The contacts included an economic development organization focused on promoting innovation, competitiveness, and regional growth; a nonprofit organization specializing in affordable housing initiatives, offering development, counseling, and financial empowerment programs; two county-level offices concentrating on economic growth, business attraction, and job creation; and a regional commission providing broader planning and coordination to address various issues affecting the area, including economic development, infrastructure improvement, and community development.

Community contacts indicated that the following are needs within the bank's AA:

- Affordable Housing units, including rental housing,
- Flexible mortgage loan programs,
- Down payment assistance programs for first time homebuyers,
- Access to credit for small businesses,
- Financial and digital literacy education for small businesses,
- Technical assistance for small businesses,
- Living wage employment,
- Access to bilingual banking products and support,
- Rental or Foreclosure assistance for payments or mortgage,

- Temporary housing for transient population.

## **Scope of Evaluation in Washington MMSA**

The OCC conducted a full-scope review of the Washington MMSA. There are no limited-scope areas to review. All the AA geographies are combined, analyzed, and presented as one AA for purposes of this evaluation. Based on the bank's strategic plan, and discussions with bank management, the OCC determined that during the evaluation period, the bank's primary areas of lending focus were home mortgage and business loans.

Refer to the table in appendix A for a complete description of the AA.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON MMSA**

### **LENDING TEST**

The bank's performance under the Lending Test in the Washington MMSA is rated Satisfactory.

Based on a full-scope review, the bank's performance in the Washington MMSA is reasonable.

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

The bank exhibits poor geographic distribution of loans in the MMSA.

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

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

#### ***2022-2023***

The bank did not originate or purchase any small loans to businesses in low-income geographies. The percentage of small loans to businesses in moderate-income geographies was significantly below both the percentage of businesses in those geographies and the aggregate distribution of loans.

#### ***2021***

The percentage of small loans to businesses originated or purchased in low-income geographies was below both the percentage of businesses in those geographies and the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies was significantly below both the percentage of businesses in those geographies and the aggregate distribution of loans.

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

The bank exhibits a reasonable distribution of loans to businesses of different sizes, given the product lines offered by the bank.

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

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

#### ***2022-2023***

The percentage of small loans to businesses with revenues of \$1 million or less originated or purchased was significantly below both the percentage of small loans to businesses with revenues of \$1 million or less the aggregate distribution of small loans to businesses.

#### ***2021***

The percentage of small loans to businesses with revenues of \$1 million or less originated or purchased was significantly below both the percentage of small loans to businesses with revenues of \$1 million or less the aggregate distribution of small loans to businesses. NCB was a PPP participating lender during this period, and these loans did not require the collection of revenue data. Using the proxy for the borrower's revenue, approximately 83.5 percent of small loans to businesses were made for amounts of \$100,000 or less, reflecting excellent responsiveness to the lending needs of small businesses.

### **Responses to Complaints**

There were no consumer complaints regarding the bank's CRA performance or complaints indicating illegal or discriminatory lending practices during the evaluation period.

### **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the Community Development Test in the Washington MMSA is rated Outstanding.

Based on a full-scope the review, the bank exhibits excellent responsiveness to community development needs in the MMSA through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

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

Refer to the Community Development Loan table below for the facts and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Washington MMSA	97	100	60,144	100

The level of CD lending was excellent. NCB made 97 loans totaling \$59.7 million. Included in this total were 77 PPP loans totaling \$32.2 million that supported area businesses during the COVID-19 pandemic. The PPP lending contributed to the retention of approximately 2,474 jobs. CD loans were impactful as they were responsive to identified community needs including affordable housing, economic development, and community services.

Examples of CD loans in the AA include:

- A \$300,000 renewal of a working capital line of credit to an area organization that provides comprehensive treatment and support services for individuals struggling with substance use disorders.
- A \$1.6 million loan to refinance a six-unit affordable housing complex located in a moderate-income geography. The tenant's rents are subsidized through the DC Housing Choice Voucher Program (HCVP). This loan addresses the identified need for affordable housing in the bank's assessment area. HCVP is a federally funded rental assistance program that subsidizes the rent of lower-income families, the elderly, and the disabled to provide affordable, suitable, safe housing. HCVP expands the number of safe, quality homes available to low- and moderate-income residents while stimulating community stability and economic growth.
- The bank extended 12 SBA 504 loans totaling \$14 million through a Certified Development Company (CDC), an SBA-approved nonprofit that promotes economic development by offering long-term, fixed rate financing to support business growth and job creation.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Washington MMSA	3	3,503	24	1,164	27	100	4,667	100	0	0.0

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

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

The Qualified Investment Table, shown above, set forth the information and data used to evaluate the bank's level of qualified CD investments. These tables contain all CD investment, including prior period investments that remain outstanding as of the examination date.

During the evaluation period, qualified investments and donations totaled \$4.7 million. These totals include prior period investments of \$3.5 million, and 23 qualifying grants and donations to eight organizations totaling \$150,000.

Examples of CD investments and donations in the AA include:

- In 2021, the bank made a \$1.0 million investment in a DC Housing Finance Agency (DCHFA) Multifamily Housing Revenue Bond, which supported construction of a 100-unit, multi-family

residential affordable housing complex. DCHFA's mission is to increase and sustain affordable housing options in Washington, D.C., focusing on both rental and homeownership opportunities for low- and moderate-income residents and other targeted populations. This investment supports affordable housing for low- and moderate-income individuals.

- Three charitable donations totaling \$18,000 to a nonprofit organization that provides comprehensive treatment and support services for adults and adolescents struggling with substance use disorders and related mental health conditions. The organization aims to help individuals achieve and maintain drug-free lifestyles through evidence-based programs and personalized care.

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

During the evaluation period, nine bank employees contributed approximately 336 service hours to eight qualifying organizations. These organizations supported affordable housing and community services for low- and moderate-income individuals. Five bank executives served as board and committee members, and three NCB employees conducted financial literacy sessions for students at Title I schools within the bank's assessment area.

## 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 MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	January 1, 2021, through December 31, 2023	
<b>Bank Products Reviewed:</b>	Small Business Loans Community Development Loans, Qualified Investments, Community Development Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
Washington-Arlington-Alexandria, DC-VA-MD-WV Multi-state MSA 47900.	Full-scope	<p><b>Washington-Arlington-Alexandria, DC-VA-MD-WV MD #47894:</b> <i>Washington, District of Columbia; Prince George’s County, Maryland; Arlington and Fairfax counties, Virginia; Alexandria, Fairfax and Falls Church cities, Virginia.</i></p> <p><b>Silver Spring-Frederick-Rockville, MD # 43524:</b> <i>Montgomery County, Maryland</i></p>

## Appendix B: Summary of MMSA and State Ratings

---

RATINGS			
The National Capital Bank of Washington			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
MMSA or State:	Satisfactory	Outstanding	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

---

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

---

### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 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 Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

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

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
NCB 2015 ACS	139	13,671,699	100.0	137,833	5.5	3.6	5.5	17.7	9.4	17.6	34.3	10.1	34.8	42.0	76.8	41.7	0.6	0.1	0.4
<b>Total</b>	<b>139</b>	<b>13,671,699</b>	<b>100.0</b>	<b>137,833</b>	<b>5.5</b>	<b>3.6</b>	<b>5.5</b>	<b>17.7</b>	<b>9.4</b>	<b>17.6</b>	<b>34.3</b>	<b>10.1</b>	<b>34.8</b>	<b>42.0</b>	<b>76.8</b>	<b>41.7</b>	<b>0.6</b>	<b>0.1</b>	<b>0.4</b>

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data,  
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022-23
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
NCB 2020 US Census	35	11,035,060	100.0	127,934	5.7	0.0	5.4	19.4	2.9	18.4	33.9	48.6	34.3	40.4	48.6	41.5	0.7	0.0	0.4
<b>Total</b>	<b>35</b>	<b>11,035,060</b>	<b>100.0</b>	<b>127,934</b>	<b>5.7</b>	<b>0.0</b>	<b>5.4</b>	<b>19.4</b>	<b>2.9</b>	<b>18.4</b>	<b>33.9</b>	<b>48.6</b>	<b>34.3</b>	<b>40.4</b>	<b>48.6</b>	<b>41.5</b>	<b>0.7</b>	<b>0.0</b>	<b>0.4</b>

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "2023" data not available.  
Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
NCB 2015 ACS	139	13,671,699	100.0	137,833	88.8	0.00	47.0	4.0	2.16	7.1	97.8
<b>Total</b>	<b>139</b>	<b>13,671,699</b>	<b>100.0</b>	<b>137,833</b>	<b>88.8</b>	<b>0.00</b>	<b>47.0</b>	<b>4.0</b>	<b>2.16</b>	<b>7.1</b>	<b>97.8</b>
<i>Source: 2021 D&amp;B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data.                      Due to rounding, totals may not equal 100.0%</i>											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-23
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
NCB 2020 US Census	35	11,035,060	100.0	127,934	90.6	20.0	51.4	3.0	80.0	6.3	0.0
<b>Total</b>	<b>35</b>	<b>11,035,060</b>	<b>100.0</b>	<b>127,934</b>	<b>90.6</b>	<b>20.0</b>	<b>51.4</b>	<b>3.0</b>	<b>80.0</b>	<b>6.3</b>	<b>0.0</b>
<i>Source: 2023 D&amp;B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "2023" data not available.                      Due to rounding, totals may not equal 100.0%</i>											

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.