



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **Public Disclosure**

**November 1, 1999**

# **Community Reinvestment Act Performance Evaluation**

**Camden National Bank  
Charter Number: 2311**

**2 Elm Street  
P.O. Box 310  
Camden, ME 04843**

**Office of the Comptroller of the Currency  
New England Field Office  
150 Federal Street, Second Floor  
Boston, MA 02110**

**NOTE: 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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## General Information

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of **Camden National Bank** prepared by the **Office of the Comptroller of the Currency (OCC)** the institution's supervisory agency, as of **November 1, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Community Development (CD)** Affordable 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**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.

**Geography-** A census tract or a block numbering area 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 do 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, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Low-Income-** Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 Statistical Area (MSA)** Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** -Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** -Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

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

**Upper-Income**- Income levels that are 120% or more of the MFI.

## Overall CRA Rating

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

The major factors that support this rating include:

- y A substantial majority (97%) of the loans were made in the bank's assessment area;
- y An overall adequate distribution of home loans to borrowers with low- and moderate-income;
- y An excellent distribution of loans to small size businesses and farms. Also, a good distribution of small size business loans and an excellent distribution of small size farm loans.
- y An adequate level of community development loans;
- y A good level of qualified community development investments;
- y Service delivery systems that are accessible to individuals of different income levels in the assessment area; and
- y A good level of community development services.

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

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

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

## **Description of Institution**

Camden National Bank (CNB) is an intrastate community bank headquartered in Camden, Maine with \$582 million in assets as of June 30, 1999. CNB is a wholly owned subsidiary of Camden National Corporation (CNC), a multi-bank financial services holding company with assets of \$668 million as of December 31, 1998. CNC also owns United Bank, a banking organization chartered under the laws of the State of Maine, headquartered in Bangor. CNC has a 51% ownership in a non-bank subsidiary, Trust Company of Maine, Inc. which provides trust and retirement management services through central and mid-coast Maine. CNB has no operating subsidiaries.

CNB is a full service bank with ten branch offices operating in four counties in Maine. Eight of the offices offer 24-hour automated teller machines (ATM's). Internet banking is also available. The bank is focused on gathering deposits from the general public through branch operations and using the deposits to originate residential mortgage, commercial business, commercial real estate and consumer loans.

As of June 30, 1999, CNB's net loans were \$386 million, representing 66% of total assets. The bank's loan mix consists of 60% real estate loans, 33% commercial loans and 7% consumer loans. Net Tier 1 capital was \$45 million.

CNB operates in a competitive financial services market with strong competition from mortgage companies, large regional banks, savings banks, community banks, credit unions and finance companies. CNB is not subject to any known financial, legal, or regulatory restrictions that would impede its ability to help meet the credit needs of its assessment area.

## Description of Assessment Area (AA)

CNB has one assessment area located in the State of Maine. The AA is not part of a Metropolitan Statistical Area. The AA consists of twenty-six geographies located within portions of Hancock, Knox, Lincoln and Waldo counties. The geographies comprising the AA are contiguous, and meet the regulatory requirements for an AA.

The population of the AA is 89 thousand. The income designations for the AA geographies are 4% moderate-income, 88% middle income, 4% upper income and 4% which are not classified. There are no low-income geographies. The moderate-income geography is located in Waldo County and consists of the towns of Swanville, Brooks, Monroe, Waldo and Jackson. The one geography that is not classified consists entirely of vacant, undeveloped land with neither owner occupied housing nor commercial enterprises, resulting in no home or small business loans being made in this geography. Eighty-three percent of the housing units in the AA are one-to-four family units, 10% are mobile homes, and 5% are multifamily units. One percent of the housing units are condominiums, and 1% are boarded up. Of the total housing units, 57% are owner-occupied, 16% are renter-occupied, and 27% are vacant. The vacant housing is primarily for second, or vacation, homes. The median housing price in the AA is \$92,953. The most recently updated MFI for nonmetropolitan portions of the State of Maine is \$36,400.

According to 1999 business demographics, there are 4,793 businesses in the AA, of which 96% were commercial and 4% were farms. Small commercial businesses represent 92% of the 4,003 commercial businesses reporting revenues in the AA. Small farms represent 98% of the 192 farms reporting revenues in the AA. The primary industries in the AA are services, retail trade and construction. The major employers in the AA are MBNA America, a credit-card bank, the Penobscot Bay Medical Center, and numerous seasonally operated hotels, inns, restaurants and retail shops to support the large tourism industry. Maine's seasonally adjusted unemployment rate was 4.2% as of July 1999, down from 5.0% at our last CRA examination.

## **Community Contacts**

We conducted two community contacts, one with a developer of affordable housing and the other with a local town official. Both noted the strong mid-Coast economy and high level of competition between the financial institutions, which has resulted in few unmet credit needs. CNB was complimented by both contacts for their willingness to participate in all community development opportunities.

Management noted the need for affordable housing, given the high cost of housing; and small business loans, including the financing of commercial real estate.

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

### **Scope of the Evaluation**

This review covers the calendar years 1997 and 1998 and the first six months of 1999. The market share and peer lender comparisons contained in the lending test are based on information contained in the Small Business Reports for 1998. The aggregate Small Business Reports are available for public review. The bank is not a HMDA reporter, nor are some of its peer banks, and we are therefore unable to utilize aggregate HMDA information for market share and peer lender comparisons of home mortgage-related products. The information for 1999 is based on the bank's Small Business Register.

The information for home mortgage loans is based on internally generated reports, which were tested and verified as accurate. We utilized 100% of the home mortgage-related originations for our review. We also reviewed the information on the Small Business Register. Information reported in 1997 was revised to correctly reflect whether the business had gross annual revenues in excess of or less than \$1 million.

The peer comparisons in this report include only lenders who were required to file Small Business Reports for 1998. Small business reporting is required of bank and thrift institutions with assets of \$250 million or more as of December 31 of the prior two calendar years preceding the reporting year, or an affiliate of a holding company with \$1 billion or more in assets during the same time periods.

CNB's last Public Disclosure is dated September 25, 1997. The bank received a Satisfactory rating at that time.

## Lending Test

### AA Concentration of Lending Activity

CNB originated a total of 1,209 home mortgage-related loans, 1,714 small business loans and 587 small farm loans between January 1, 1997 and June 30, 1999. The table below shows the number and dollar amount of home mortgage-related loans, small business and small farm loans that were originated during this time period. The bank made a substantial majority, 97%, of these loans inside the AA. No additional weight was given to any one of these loan products.

Ratio of Loans Originated Inside the AA - January 1, 1997 through June 30, 1999				
	Home Mortgage	Small Business	Small Farm	Total
<b>Number</b>				
Number of loans inside the AA	1,169	1,666	584	3,419
Total number of Loans	1,209	1,714	587	3,510
% of Loans Inside/Total # of Loans	97	97	99	97
<b>Dollars (in 000's)</b>				
\$ of Loans Inside the AA	104,629	124,395	12,200	241,224
Total \$ of Loans	108,032	134,005	12,512	254,549
% of Loans Inside/Total \$ of Loans	97	93	98	95

### Level of Lending Activity

CNB is an active home mortgage lender. In Knox and Waldo county, CNB ranked first in 1997, 1998 and the first quarter of 1999. In 1998, CNB had a 33% market share in Knox county and a 22% market share in Waldo county. This information was obtained from the Maine Credit Bureau, Inc. Mortgage Market

## Analysis Report.

The bank is an active small business and small farm lender, ranking first out of the 27 small business lenders in the market in 1998 with a 32% market share. The bank also ranked first in small farm lending out of the five small farm lenders in the market in 1998, with a 78% market share.

In terms of deposit market share and market rank, CNB ranked fifth, with 3% of deposits of all FDIC-insured institutions operating in the state of Maine as of June 30, 1999. Seventy nine percent of CNB's deposits were located in Knox county, 10% in Waldo county, 7% in Lincoln county and 4% in Hancock county. CNB was ranked first in Knox county with 51% of the county's deposits; second in Waldo county with 19% of the county's deposits; seventh in Lincoln county with 6% of the county's deposits, and eighth in Hancock county with 2% of the county's deposits.

From June 30, 1997 to June 30, 1999, CNB's total assets increased by 16% from \$503 million to \$582 million. Gross loans increased from \$289 million to \$392 million, due primarily to increases in real estate and commercial loans of \$70 million and \$29 million respectively. Consumer loans increased by \$3.5 million.

## **Borrower Characteristics**

### **Home Purchase Loans - Table 7**

CNB had an adequate distribution of home purchase loans to low- and moderate-income borrowers compared to the distribution of low- and moderate-income families. The bank made 5% of its loans to low-income borrowers compared to a 19% distribution of low-income families, and made 12% of its loans to moderate-income borrowers compared to a 20% distribution of moderate-income families.

### **Home Improvement Loans - Table 8**

CNB had an excellent distribution of loans to moderate-income borrowers compared to the distribution of moderate-income families. The bank made 22% of its loans to moderate-income borrowers compared to a 20% distribution of moderate-income families. The bank's loan distribution to low-income borrowers was good with 15% of its loans compared to a 19% distribution of low-income families.

### **Home Mortgage Refinance Loans - Table 9**

CNB had an adequate distribution of refinance loans to low- and moderate-income borrowers compared to the distribution of low- and moderate-income families. The bank made 3% of its loans to low-income borrowers compared to a 19% distribution of low income families, and made 11% of its loans to moderate-income

borrowers compared to a 20% distribution of moderate-income families.

### **Small Business Lending - Table 10**

CNB had an excellent distribution of loans to small size businesses, and a good distribution of small size loans, i.e. loans for less than \$100,000. CNB made 80% of its loans to small size businesses. Small businesses represent 92% of all businesses operating in the AA. All other small business reporters in the assessment area made 80% of their loans to small sized businesses. In 1998, the bank realized a 35% market share of loans to businesses with annual revenues of \$1 million or less compared to a 32% market share of all small business loans. A majority or 81% of the loans were for amounts less than \$100,000. Loans for less than \$100,000 are generally the size of loans sought by small businesses.

### **Small Farm Lending - Table 11**

CNB had an excellent distribution of loans to small size farms and an excellent distribution of small size loans, i.e. loans for less than \$100,000. CNB made 94% of its loans to small size farms. Small farms represent 98% of all farms operating in the AA. All other small farm reporters made 95% of their loans to small sized businesses. In 1998, the bank realized a 78% market share of loans to businesses with annual revenues of \$1 million or less compared to the same percentage, 78%, market share of all small farm loans. A substantial majority or 98% of the loans were for amounts less than \$100,000.

### **Geographic Distribution**

As noted earlier in this Public Disclosure, CNB's AA has no low-income geographies and one moderate-income geography. Therefore, analysis of the geographic distribution of loans would not be meaningful.

Nevertheless, CNB is achieving good loan penetration in the moderate income BNA; 4% of the number and 2% of the dollar volume of home mortgage loans were made in the moderate-income BNA. Two percent of the number and 1% of the dollar volume of small business loans, and 3% of the number and 2% of the dollar volume of small farm lending was in the BNA. The BNA represents 4% of the AA's geographies.

### **Community Development Lending**

CNB has an adequate level of community development loans with nine loans totaling \$774 thousand in community development loans within the AA.

The bank made a \$390 thousand loan to a limited partnership for the rehabilitation of an apartment building located in Knox county into affordable rental housing, with 22 apartments for the elderly and two for persons with disabilities. Permanent financing was provided through the U.S. Department of Agriculture (USDA) Rural Development Rural Housing Service Section 515 loan program, which requires that 95% of tenants must have very low incomes.

The bank made a \$121 thousand loan to a Knox county housing authority for the rehabilitation of twelve rowhouses into affordable rental housing, with two of the units for persons with disabilities. Permanent financing was provided through the USDA Rural Development Rural Housing Service Section 515 loan program.

The remaining seven loans totaled \$263 thousand and were for affordable housing or community services targeted to low- or moderate-income individuals and families.

One loan for \$3,500 was made as a result of the bank's participation in the Maine Community Reinvestment Corporation (MCRC). The loan was for a group home in Sagadahoc County, which is not part of the bank's assessment area. MCRC is a statewide organization and, given the limited community development opportunities in the bank's AA, could provide additional sources of community development loans.

## **Innovative or Flexible Lending Practices**

CNB offers several flexible loan products that assist first-time homebuyers and low- and moderate-income individuals and families to address community credit needs. These programs include the *Maine State Housing Authority (MSHA) Homeownership Program*, *Federal Housing Authority (FHA) Loan Program*, *Veterans Administration Loan Program*, and *Rural Housing Service Guaranteed Loan Program*. The bank had not participated in these programs prior to this evaluation period.

The *Maine State Housing Authority (MSHA) Homeownership Program* is available to first-time homebuyers who have not had homeownership interest in their principal residence within the past three years. Features include a lower-than-market interest rate, financing up to 100% depending on the type of mortgage insurance used, and income and purchase price limits. Closing cost assistance programs, down payment programs and homebuyer training courses are available for qualified borrowers. During the evaluation period, CNB originated 24 loans totaling \$1,453 thousand.

The *Federal Housing Authority (FHA) Loan Program* offers flexible down payment

requirements, full or alternative underwriting documentation and qualifying ratios of 29% and 41%. During the evaluation period, CNB originated five loans totaling \$427 thousand.

The *Veterans Administration Loan Program* has qualifications similar to the *FHA Loan Program*, for veterans. During the evaluation period, CNB originated seven loans totaling \$685 thousand.

The *Rural Housing Service Guaranteed Loan Program* is available to first-time homebuyers. Features include a lower-than-market interest rate, financing up to 100% of the appraised value or the cost of acquisition and necessary repairs, whichever is less, full or alternative underwriting documentation and qualifying ratios of 29% and 41%. Homebuyer education is required prior to closing. During the evaluation period, CNB originated five loans totaling \$325 thousand.

## **Investment Test**

CNB made a good level of qualified investments. While community contacts conducted during the review indicated that there are limited investment opportunities and intense competition within the bank's assessment area, CNB was able to extend \$1.7 million during the examination period. Table 12 summarizes the bank's qualified investments.

The bank's largest investment was \$1.6 million in equity financing through the Federal Low Income Housing Tax Credit Program, for a 30-unit assisted living rental housing project for low- and moderate-income elderly residents located in Knox county. The project is both innovative and complex, as it was not only the first affordable assisted-living facility in the state, but was also the first investment of this type for the bank.

The bank also provided a \$100 thousand non-interest bearing deposit to a community development federal credit union located in Waldo county. The deposit was made to support the credit union during a liquidity crisis.

CNB also made \$38 thousand in donations to community development related organizations. The organizations' activities provide affordable housing for low- and moderate-income individuals and families; community services targeted to low-or moderate-income individuals; or promote economic development for small businesses.

## Service Test

### Retail Banking Services

CNB's service delivery systems are adequately accessible to individuals of different income levels in the AA. In 1998, CNB purchased four branches from another bank, of which two were in Lincoln county, one in Hancock county and one in Knox county. No other branches were opened, and no branches were closed, during the evaluation period. Table 13 summarizes the bank's distribution of branches and ATM's.

The bank operates ten full service offices. Eight of the offices offer 24-hour ATM's. Eighty percent of the branches and 75% of the ATM's are located in middle-income geographies and 20% of the branches and 25% of the ATM's are in upper-income geographies. As noted previously, the bank's assessment area has no low-income geographies. CNB has no branches or ATM's located in the assessment area's one moderate-income geography. There are no banks headquartered or bank branches located in the towns that comprise the primarily residential geography, but banking services are easily accessible in the towns of Unity and Belfast, which are in close proximity to the geography. CNB has a branch in Belfast.

The business hours offered at the branch offices do not vary in a way that inconveniences any portion of the assessment area. The business hours vary somewhat between offices. Lobby hours are generally from 9AM to 3PM or 4PM Monday through Friday, though the Thomaston and Vinalhaven offices open at 8:30AM. Nine of the branches have extended Friday hours, and three of the branches are open Saturday morning. The Camden Square, Rockland, Belfast, Damariscotta, Bucksport and Waldoboro offices have drive-up facilities. Due to customer demands, the Rockland office drive-up opens at 7:30AM, and the Belfast office drive-up opens at 8AM.

CNB offers alternative delivery systems in the form of a bank-by-phone program and Internet banking. The bank maintains a 24-hour automated telephone banking service, where customers can obtain information on deposit and loan accounts. Funds can be transferred between deposit accounts, information can be obtained on whether or not a check has cleared, as well as the amount of interest earned or paid on accounts, and the last date and amount of any deposit can be verified.

Customers can access the bank's website to check balances and access information on CNB deposit and loan accounts, transfer funds to and from CNB accounts or make CNB loan payments and obtain current deposit and loan rates. Business customers can access internet banking to also issue stop payments and wire transfers and originate automated clearing house payments. In evaluating the bank's services, no significant weight was given to the systems for consumers since the bank does not track how well these services reach low- and moderate-income geographies. However, the bank does track the business customers that access business internet banking. Of the 83 businesses that utilize the system, 52, or 63%, were small businesses.

CNB's Personal Checking account is the most affordable. The monthly service charge is waived if the primary account owner is 55 years or older, if there are three or fewer checks paid during the statement cycle, or the account is for a non-profit organization. CNB does not charge a transaction fee when ATM cards are used at a foreign ATM.

## **Community Development Services**

CNB provides a good level of community development services. Management supports various organizations throughout the communities that are served by the bank by offering financial and technical expertise to those groups.

A bank officer is a board member of an affordable retirement community organization that serves low- and moderate-income retirees and the elderly. The focus of the organization is on controlling unit costs of the approximately 56 units to ensure that homeownership remains viable.

A bank officer is the president of a local nonprofit affordable housing organization. The organization works with the town to develop land and homes for sale to low- and moderate-income people through tax-acquired lands and other gifted opportunities. The organization constructed and sold a single family home to a low-income family.

A bank officer is the treasurer of an agency that provides community services and affordable housing for the elderly.

A bank officer is a member of a committee of a county board of realtors that assists low-income and elderly people with needed home repairs.

A bank officer provided technical assistance to a nonprofit organization to prepare a grant application for submission to the Federal Home Loan Bank of Boston (FHLB) under its Affordable Housing Program. The application process is complex and requires a full accounting of the finances of the proposal for which the grant was applied. During 1999, the FHLB approved one grant sponsored by CNB for the construction of a six-unit residential care facility for low- and moderate-income elderly people in Knox county. In addition to sponsorship of the grant application, CNB committed to providing a one year commercial construction loan to build the facility, with flexible underwriting standards, a below-market rate and the waiver of loan origination fees and points.

## **Fair Lending Review**

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Our fair lending review consisted of a test for discrimination in the approval or denial of home purchase loans. Our sample was seven single female applicants who were denied home purchase loans compared to 22 single male applicants who were approved for home purchase loans during 1999.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation and loan products considered.

<b>Time Period Reviewed</b>	Lending Test: January 1, 1997 to June 30, 1999 Investment Test: January 1, 1997 to November 1, 1999 Service Test: January 1, 1997 to November 1, 1999	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Camden National Bank (CNB) Camden, Maine	Home purchase, home improvement and refinance loans, and small business loans reported on the Small Business Register.	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
The assessment area consists of portions of Knox, Hancock, Lincoln and Waldo counties in mid-coast Maine.	On-site	See "Description of Assessment Area".

## Appendix B: Tables of Performance Data

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### Content of Standardized Tables

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period within the assessment area.
- 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 rank and market share information based on the most recent aggregate market data available. *Not applicable.*
- Table 3. Geographic Distribution of Home Improvement Loans** See Table 2. *Not applicable.*
- Table 4. Geographic Distribution of Refinance Loans** See Table 2. *Not applicable.*
- Table 5. 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 rank and market share information based on the most recent aggregate market data available. *Not applicable.*
- Table 6. 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 rank and market share information based on the most recent aggregate market data available. *Not applicable.*
- Table 7. 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** See Table 7.
- Table 10. 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 11. Borrower Distribution of Small Loans to Farms** Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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. The table also compares the bank's percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 12. Qualified Investments** Presents the number and dollar amount of qualified investments made by the bank in the 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 have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.
- Table 13. 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 the AA. The table also presents data on branch openings and closings in the AA.

**Table 1. Lending Volume**

LENDING VOLUME												
Evaluation Period: January 1, 1997 to June 30, 1999												
Assessment Area	% of Rated Area Deposits in AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans (#) in AA
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
	100%	1,169	104,629	1,666	124,395	584	12,200	9	774	3,428	241,998	100%

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE										Evaluation Period: January 1, 1997 to June 30, 1999				
Assessment Area	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp
Not applicable.														

**3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: January 1, 1997 to June 30, 1999				
Assessment Area	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp
Not applicable.														

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: January 1, 1997 to June 30, 1999				
Assessment Area	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp
Not applicable.														

**Table 5. Geographic Distribution of Small Loans to Businesses**

Not applicable.														
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Geographic Distribution: SMALL LOANS TO BUSINESSES										Evaluation Period: January 1, 1997 to June 30, 1999						
Assessment Area	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography				Total Small Business Loans		
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Upp		#	% of Total
Not applicable.																

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS										Evaluation Period: January 1, 1997 to June 30, 1999						
Assessment Area	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank	Market Share by Geography				Total Small Farm Loans		
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Upp		#	% of Total
Not applicable.																

**Table 7. Borrower Distribution of Home Purchase Loans**

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Borrower Distribution: HOME PURCHASE															
Evaluation Period: January 1, 1997 to June 30, 1999															
Assessment Area	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share by Borrower Income						
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	Overall	Low	Mod	Mid	Upp	Total Home Purchase Loans	
	19.1	4.9	19.7	12.2	25.2	22.4	36.0	60.5	NA	NA	NA	NA	NA	330	% of Total 100

(\*) As a percentage of loans with borrower income information available. No information was available for 8% of loans originated and purchased by the bank.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT																	
Evaluation Period: January 1, 1997 to June 30, 1999																	
Assessment Area	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank		Market Share by Borrower Income				Total Home Improvement Loans		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	Overall Market Rank	Overall Market Rank	Overall	Low	Mod	Mid	Upp	#	% of Total
	19.1	14.5	19.7	21.8	25.2	29.0	36.0	34.7	NA	NA	NA	NA	NA	NA	NA	169	100

(\*) As a percentage of loans with borrower income information available. No information was available for 27% of loans originated and purchased by the bank.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Evaluation Period: January 1, 1997 to June 30, 1999													
Assessment Area	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank	Market Share by Borrower Income				Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#
	19.1	3.4	19.7	10.7	25.2	24.2	36.0	61.7	NA	NA	NA	NA	NA	670	100

(\*) As a percentage of loans with borrower income information available. No information was available for 4% of loans originated and purchased by the bank.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Evaluation Period: January 1, 1997 to June 30, 1999								
Assessment Area	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Market Share****		Total Small Loans to Businesses			
	% of Businesses*	% BANK Loans	% Market Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000		All	Rev \$1 million or less	#
	92.1	79.7	79.8	81.3	12.4	6.3	32.1	35.4	1,666	100

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.  
 (\*\*) The market consists of all other Small Business reporters in the AA and is based on 1998 Aggregate Small Business Data only.  
 (\*\*\*) Based on 1998 Aggregate Small Business Data only.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Evaluation Period: January 1, 1997 to June 30, 1999								
Assessment Area	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size		Market Share****		Total Small Farm Loans			
	% of Farms*	% BANK Loans	% Market Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000		All	Rev \$1 million or less	#
	98.4	94.2	95.3	97.8	1.9	.3	78.4	77.9	584	100

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.  
 (\*\*) The market consists of all other Small Farm reporters in the AA and is based on 1998 Aggregate Small Farm Data only.  
 (\*\*\*) Based on 1998 Aggregate Small Farm Data only.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS							Evaluation Period: January 1, 1997 to June 30, 1999		
Assessment Areas	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
	1	125	61	1,704	62	1,829	0	0	
							% of Total \$~s	100	

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

(\*\*) Unfunded Commitments Δ means legally binding investment commitments reported on the Report of Condition Schedule-L Δ Off Balance Sheet Items Δ

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Evaluation Period: January 1, 1997 to June 30, 1999							
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	Net Change in Location of Branches (+ or -)			% of the Population within Each Geography						
				Low	Mod	Upp		Low	Mod	Upp	Low	Mod	Upp				
	100	10	100	0	0	80.0	20.0	0	4	NA	0	+4	0	NA	4.3	90.0	5.7