



PUBLIC DISCLOSURE

October 25, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Ledyard National Bank
Charter Number: 22210

320 Main Street
Norwich, VT 05055

Office of the Comptroller of the Currency

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Suite 1400
Boston, MA 02110

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 (LMI) 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 Community Reinvestment Act (CRA) Rating

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

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The Lending Test rating is based on Ledyard National Bank's (LNB or bank) record of performance in meeting the credit needs of the assessment areas (AA) through its lending activities during the evaluation period. The evaluation period for the Lending Test is from January 1, 2018 through December 31, 2020.
- Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of the bank's loans are inside its AAs.
- Overall, lending levels reflect reasonable responsiveness to AA credit needs.
- The bank was not subject to any CRA or Fair Lending-related complaints during the evaluation period.
- The Community Development (CD) Test rating is based on LNB's record of performance in meeting the credit needs of the AAs through its CD activities during the evaluation period. The evaluation period for the CD Test is from January 1, 2018 through December 31, 2020.
- Overall, the institution exhibits adequate responsiveness to the credit needs of its delineated AAs through its CD activities.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is reasonable.

Since the prior CRA evaluation, the LTD ratio averaged 74.9 percent. During this period, from January 1, 2018 to December 31, 2020, the LTD ratio ranged from a quarterly low of 61.4 percent to a quarterly high of 82 percent. LNB's average LTD ratio is below the average of peer institutions of similar size that operate in New Hampshire (NH) and/or Vermont (VT). Peer institutions ranged in asset sizes from \$202 million to \$1 million and had an average LTD ratio of 92.1 percent.

Lending in Assessment Area

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

The bank originated and/or purchased 88.7 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. LNB did not submit affiliate lending for consideration during this evaluation.

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		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	544	92.4	45	7.6	589	140,476	91.4	13,141	8.6	153,617
Small Business	284	82.6	60	17.4	344	94,518	67.6	45,258	32.4	139,776
Total	828	88.7	105	11.3	933	234,994	80.1	58,399	19.9	293,393

*Source: Bank Data
Due to rounding, totals may not equal 100.0%*

Description of Institution

As of December 31, 2020, LNB was a \$683.4 million interstate national bank headquartered in Norwich, VT and a wholly owned subsidiary of Ledyard Financial Group, Inc. The bank offers traditional loan and deposit products through its nine full-service branches concentrated in the Upper Valley region of NH and VT. In addition to the main branch located in VT, the bank also maintains eight full-service NH branch locations across Hanover, Lebanon, West Lebanon, Lyme, New London, and Concord, NH. The Concord, NH branch opened during the evaluation period in October 2020. The bank did not close any branch locations during the evaluation period. Overall, operating hours at bank locations are reasonable as all branches offer either drive-up or lobby hours as early as 8:00am or 9:00am, respectively, and remain open until 5:00pm. Many locations also offer Saturday hours from 9:00am to noon. All branches also have automated teller machines available for 24-hour banking access.

LNB operates as both, a residential mortgage and commercial lender. As of December 31, 2020, one-to four-family residential mortgages and commercial loan products represented approximately 35.8 percent and 52 percent of gross, respectively. The bank also offers traditional home equity loans, lines of credit, and consumer loans as well as an array of deposit products, including but not limited to, checking accounts, savings accounts, money market accounts, and certificates of deposit. The bank's website, www.ledyardbank.com, provides a full listing of lending and deposit products.

As of December 31, 2020, LNB reported total assets, total deposits, and tier 1 capital of \$683.4 million, \$592.4 million, and \$54.3 million, respectively. The loan portfolio totaled approximately \$372.6 million or 54.5 percent of total assets.

The table below provides a summary of the loan mix as of December 31, 2020:

Loan Portfolio Summary by Loan Product December 31, 2020	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential Mortgages – Closed End	35.8
Other Real Estate (Commercial)	34.1
Commercial & Industrial	18.0
Multifamily	4.4
Consumer	3.6
Home Equity	2.5
Construction & Development	1.4
Total	100

Source: Federal Deposit Insurance Corporation Call Report, December 31, 2020. Due to rounding, totals may not equal 100.0%

The bank has no financial or legal impediments in meeting the credit needs of its AAs. The bank was rated ‘Satisfactory’ using intermediate small bank procedures during the previous CRA performance evaluation dated November 26, 2018. The previous rating was derived from a ‘Satisfactory’ Lending Test rating and a ‘Satisfactory’ CD Test rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

LNB was evaluated using intermediate small bank evaluation procedures, which includes a Lending Test and a CD Test. The evaluation period for both tests covers the bank’s performance from January 1, 2018 through December 31, 2020. The Lending Test evaluates the bank’s record of meeting the credit needs of its AAs through primary lending activities, while the CD Test includes an assessment of CD loans, qualified investments, grants and donations, and CD services.

The bank is not subject to the reporting requirements of the Home Mortgage Disclosure Act (HMDA). Based on an analysis of bank-submitted loan origination data, home mortgage and small businesses loans accounted for the majority of lending activity occurring during the evaluation period and were identified as primary lending products for consideration. Prior to completing our analysis, examiners vetted and determined that bank-submitted data was accurate and reliable for drawing conclusions as to the institution’s lending performance according to the CRA. Examiners also verified the CD activity submitted by management.

Lending performance was assessed using the bank’s primary loan products which were determined based on lending activity during the evaluation period and included home mortgage and small business loans. The bank’s home mortgage lending performance was more heavily weighted when drawing overall conclusions as this product type accounted for the majority of lending that occurred during the evaluation period.

We compared the bank’s 2018-2020 lending performance to 2015 American Community Survey (ACS) and 2020 Dun and Bradstreet (D&B) data. 2020 Peer Mortgage and 2019 Peer Small Business data was used as supporting performance context, as applicable. 2020 Peer Small Business data was not readily available for consideration at the time of this evaluation. HMDA and CRA small business aggregate lending and market share percentages consider only lenders that submit HMDA and CRA data. Lenders that collect, but do not submit data, are not considered in the percentages; however, we compared the

bank's reported lending activity to aggregate data as part of the performance context and when conducting market share analysis. Peer 2020 deposit market share data is as of June 30, 2020 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 of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full-scope and limited-scope AAs.

The CRA requires an institution to define the AA(s) in which it will be evaluated. LNB delineated two AAs as its primary market area, including an AA in NH and an AA in VT. For the purposes of this evaluation, we assessed the bank's CRA performance based on full-county AA delineations which consist of wholly-contiguous political subdivisions (counties), contain the entirety of the customer deposit base, and do not exclude any low- or moderate-income census tracts (CT).

The NH-based AA is composed of the NH counties of Grafton (#009), Merrimack (#013), and Sullivan (#019), while the VT-based AA is composed of the VT counties of Orange (#017) and Windsor (#027). All AA CTs are located within non-MSA (#99999) geographies.

Ratings

The bank's overall rating is a blend of the state ratings.

The bank's performance in the state of NH was more heavily weighted when drawing final conclusions as deposits and loans originating within the full-scope NH AA accounted for approximately 82.4 percent and 66.4 percent of total bank-wide deposits and loans, respectively, reported during the evaluation period. Deposits and loans originating within the full-scope VT AA represented 17.6 percent and 33.6 percent of overall deposit and lending activity, respectively, that occurred during the evaluation period. Additionally, 88.9 percent of the bank's branches were located within the full-scope NH AA compared to 11.1 percent located within the full-scope VT AA.

As previously discussed, LNB's primary lending products, based on origination activity during the evaluation period, were home mortgage loans and small business commercial loans. Amongst the two primary products, we assigned more consideration to LNB's home mortgage lending performance as home mortgage loans represented 65.7 percent by number and 59.8 percent by dollar volume of all primary product lending.

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

Discriminatory or Other Illegal Credit Practices Review

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

State Rating

State of New Hampshire

CRA rating for the State of New Hampshire:	Satisfactory
The Lending Test is rated:	Satisfactory
The Community Development Test is rated:	Outstanding

The major factors that support this rating include:

- The bank exhibits poor geographic distribution of loans in the state after taking performance context, which includes material demographic and competitive factors that limited lending opportunities, into consideration.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes given the product lines offered by the bank.
- No CRA or Fair Lending-related complaints originating within NH were received by the bank or the agency during the evaluation period.
- The bank exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Description of Institution's Operations in New Hampshire

The state of NH represents LNB's primary area of operations. LNB's NH-based AA is comprised of a single rating area, the full-scope NH AA. Within the charts in this evaluation, the full-scope NH AA is referred to as FS NH AA. This rating area is composed of the entirety of Grafton, Merrimack, and Sullivan counties and borders the bank's VT-based AA to the west. The NH AA contains a total of 65 CTs, including 10 moderate-, 35 middle-, and 20 upper-income CTs. This rating area does not contain any low-income geographies as of the 2015 ACS Census update.

The bank operates in a competitive NH market area which includes many local commercial banks, savings banks, and credit unions. The FDIC Deposit Market Share Report, as of June 30, 2020, indicates that 42 institutions operate in the state of NH, with LNB ranking 21st with less than one percent of the deposit market share. Citizens Bank, National Association (NA); TD Bank, NA; and Bank of America, NA are ranked as the top three in deposit market share, holding over 55 percent of deposits. Local competitors include, but are not limited to, Bank of New Hampshire, Mascoma Bank, Northway Bank, and Franklin Savings Bank.

As part of the performance context when evaluating lending performance, we considered the disparity between the median income of families within the AA compared to the median cost of housing and the impact that this gap has on home ownership. In the AA, 6.1 percent of families are noted as being below the poverty level and 38.2 percent of households are low- or moderate-income. We noted 44.1 percent of households were classified as upper income during the scope of this evaluation. Consequently, high

home prices limit the availability of affordable housing for LMI groups as the housing market in the area is driven by upper-income pressures, emphasizing the area's community needs for affordable housing.

Additionally, as part of the CRA evaluation, examiners leveraged data obtained from three recent community contacts within the state of NH to gain a better understanding of the local economic conditions and CD needs. Community contacts cited affordable housing as a primary community credit need. Specifically, contacts indicated that the cost of land development within the state, particularly in the southern regions, serves as a significant barrier for investment by LMI populations as homes being constructed are trending higher end, which further exacerbates already elevated home prices. Contact data also indicated that the need for community services for LMI populations is present within the AA, particularly those targeted towards youth and elderly groups.

According to January 2021 Moody's Analytics Inc data, the state of NH's economy was operating in the recovery stage of the business cycle with positive forward-looking forecasts. Although current projections anticipate slowed economic growth due to the COVID-19 pandemic, a highly skilled workforce and low tax rate remains attractive for investment by financial businesses and tech firms and encourages positive migration trends. It is expected that manufacturing and financial services will be the first industries in NH to improve economically, while tourism will remain stagnant through the better part of 2021. Within the state, top employers include Dartmouth Hitchcock Medical Center, BAE Systems Electronic Solutions, Hannaford Bros Co, Fidelity Investments, and Liberty Mutual Insurance with total employees per employer greater than 5,000. Other top employers in NH included University System of New Hampshire, Elliot Hospital, Catholic Medical Center, J.Jill Distribution Center, Concord Hospital, and University of New Hampshire with total employees per employer greater than 2,750 but less than 5,000.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Ledyard_FS NH AA-2020						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	65	0.0	15.4	53.8	30.8	0.0
Population by Geography	279,738	0.0	14.7	53.4	31.9	0.0
Housing Units by Geography	137,585	0.0	15.2	57.6	27.1	0.0
Owner-Occupied Units by Geography	77,722	0.0	13.4	53.7	32.9	0.0
Occupied Rental Units by Geography	31,438	0.0	21.0	56.3	22.7	0.0
Vacant Units by Geography	28,425	0.0	14.0	69.8	16.2	0.0
Businesses by Geography	27,847	0.0	16.9	49.1	34.0	0.0
Farms by Geography	1,140	0.0	12.9	55.4	31.7	0.0
Family Distribution by Income Level	71,010	18.2	16.8	21.7	43.3	0.0
Household Distribution by Income Level	109,160	21.9	16.3	17.7	44.1	0.0
Median Family Income Non-MSAs - NH		\$71,699	Median Housing Value			\$219,077
			Median Gross Rent			\$925
			Families Below Poverty Level			6.1%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

Scope of Evaluation in New Hampshire

We conducted a full-scope review of the NH AA and based the entirety of the state of NH rating on our assessment of the performance within this full-scope AA. As discussed previously, compared to the state of VT assessment, the state of NH accounts for 82.4 percent, 88.9 percent, and 66.4 percent of all bank-wide deposits, branches, and total lending, respectively. Furthermore, the full-scope NH AA accounts for 69.9 percent, 76.7 percent, and 75.4 percent of bank-wide CTs, AA population, and AA families, respectively.

The bank's lending performance for home mortgage loans was more heavily weighted than small business loans as 65.1 percent of total loans made within the AA were home mortgages compared to 34.9 percent for small business loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW HAMPSHIRE

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of NH is reasonable.

Distribution of Loans by Income Level of the Geography

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

Home Mortgage Loans

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

The geographic distribution of home mortgage loans is poor after taking performance context into consideration. The AA does not include any low-income CTs. The percentage of home mortgage loans made in moderate-income CTs was significantly below both the percentage of owner-occupied (OO) units and aggregate lending data in the AA.

The assessment of performance in moderate-income CTs considered the limited number of OO housing units in moderate-income CTs and AA competition. Based on 2020 demographic data, only 10,415, or 13.4 percent of all OO housing units in the AA were in moderate-income CTs. LNB faced competition from other community banks, regional credit unions, and national mortgage lenders which limited lending opportunities within the AA. In 2020, LNB originated a single home mortgage loan within a moderate-income CT which represented less than one percent of the reported market share and would have ranked 80th among 130 other competing lenders. The top five home mortgage lenders in moderate-

income CTs, Quicken Loans LLC (12 percent); Mascoma Bank (6.7 percent); CMG Mortgage Inc (5.8 percent); Residential Mortgage Services (4.2 percent); and Citizens Bank, NA (4 percent), had a combined market share of 32.7 percent in the moderate-income CTs. All remaining lenders individually held less than four percent market share. Additionally, we noted that only 15.4 percent of the CTs in the AA were classified as moderate-income.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is poor after taking performance context into consideration. The AA does not include any low-income CTs. The percentage of small business loans made in moderate-income CTs was well below both the percentage of businesses and aggregate lending data in the AA.

The assessment of performance in moderate-income CTs considered the limited number of businesses in moderate-income CTs and AA competition. Based on 2020 demographic data, only 4,706, or 16.9 percent of all AA businesses were in moderate-income CTs. LNB faced competition from larger community banking institutions and multinational financial corporations which limited lending opportunities within the AA. In 2019, LNB originated a single small business loan within a moderate-income CT which represented less than one percent of the reported market share and would have tied LNB with eight other institutions ranking 24th among 50 reporting lenders. The top five small business lenders in moderate-income CTs, American Express National Bank (18.9 percent); JPMorgan Chase Bank, NA (12.5 percent); Capital One Bank (USA), NA (8 percent); Synchrony Bank (7.3 percent); and Citibank, NA (6.8 percent), had a combined market share of 53.6 percent in the moderate-income CTs. All lenders outside of the top seven individually held less than four percent market share according to 2019 Peer Small Business data. Additionally, we noted that only 15.4 percent of the CTs in the AA were classified as moderate-income.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in the state of NH 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 borrower distribution of home mortgage loans is reasonable when taking performance context into consideration. The percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families and near the aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers was below both the percentage of moderate-income families and aggregate lending in the AA.

The assessment of performance considered the affordability of housing for LMI borrowers and competition amongst lenders in the AA. Based on the 2020 median family income (MFI) of \$71,699,

low-income families with maximum income of \$35,849 would find it challenging to qualify for a mortgage loan given the median housing value of \$219,077.

Table A 2020 data	Median Family Income*	Median Housing Value	Low- Income Annual Income	Low- Income Monthly Income	Mod- Income Annual Income	Mod- Income Monthly Income	Monthly Mortgage Payment**	Low- Income Payment***	Moderate- Income Payment***
FS NH AA-2020	\$71,699	\$219,077	\$35,849.50	\$2,987.46	\$57,359.20	\$4,779.93	\$1,176.05	\$896.24	\$1,433.98

**Weighted Average of Census MSA Median Family Income via 2020 Demographic Data and 2015 ACS US Census data*

***Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses*

****Payments calculated at one-third of monthly income*

LNB faces significant competition from other large community banks and national mortgage lenders operating within the full-scope NH AA. In 2020, LNB originated four home mortgage loans to low-income borrowers which represented less than one percent of the reported market share and would have ranked 31st among 86 reporting lenders. The top five home mortgage lenders to low-income borrowers, Quicken Loans LLC (12 percent); Citizens Bank, NA (7.6 percent); Mascoma Bank (7.4 percent); CMG Mortgage Inc. (6.1 percent); and Residential Mortgage Services (5.3 percent), had a combined market share of 38.4. All lenders outside of the top five individually held less than four percent market share. During the same period, LNB originated 15 home mortgage loans to moderate-income borrowers which represented less than one percent of the reported market share and would have ranked 36th among 150 reporting lenders. The top six home mortgage lenders to moderate-income borrowers, Quicken Loans LLC (10.8 percent); CMG Mortgage Inc (8.4 percent); Mascoma Bank (6.8 percent); Residential Mortgage Services (5.8 percent); HarborOne Mortgage LLC (4.6 percent); and Citizens Bank, NA (4.4 percent), had a combined market share of 40.8 percent. All lenders outside of the top six individually held less than three percent market share.

Small Loans to Businesses

Refer to Table R in the state of NH 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.

The borrower distribution of small loans to businesses is reasonable when taking performance context into consideration. The percentage of small loans to businesses with gross annual revenues of \$1 million or less was well below the percentage of those businesses and significantly exceeded aggregate lending in the AA.

The assessment of performance considered the significant competition within the full-scope NH AA. In 2019, LNB originated 31 loans to small businesses with revenues less than \$1 million which represented approximately 1.1 percent of the reported market share and would have ranked 15th among 78 reporting lenders. Top lenders in this space include Citibank, NA (17.2 percent); JPMorgan Chase Bank, NA (16 percent); and American Express National Bank (12.7 percent), which, when combined, accounted for approximately 45.9 percent of the market share.

Responses to Complaints

No CRA or Fair Lending-related complaints originating within NH were received by the bank or the agency during the evaluation period of January 1, 2018 through December 31, 2020.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the state of NH is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

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

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information 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 \$
FS NH AA	2	40.0	\$6,100	95.3
Greater Statewide Impact	3	60.0	\$300	4.7
Total	5	100.0	\$6,400	100.0

CD lending within the full-scope NH AA is reflective of excellent responsiveness. Within the full-scope AA, LNB made two qualified CD loans totaling approximately \$6.1 million, or approximately 13.6 percent of allocated tier 1 capital. We also considered the level of CD lending within the greater statewide region which included three qualified CD loans totaling \$300,000, or approximately 0.7 percent of the AA's allocated tier 1 capital.

The highlights of the bank's CD loans are as follows:

- A \$2.5 million CD-qualified loan to a local community organization based in the NH AA that provides affordable housing for low-income seniors. The purpose of the CD loan was to enable the community organization to construct additional affordable housing units for tenants.
- A \$100,000 CD-qualified loan that was annually renewed during the evaluation period to a state-based CD agency that provides affordable housing, community services, and economic development initiatives to LMI populations and regions within the bank's AA and state.

Additional consideration was given to the bank's participation in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) in response to the COVID-19 pandemic during 2020. PPP loans helped revitalize or stabilize communities during the economic disruption brought on by the

pandemic through job preservation. Within the full-scope NH AA, LNB originated a total of 186 PPP loans totaling approximately \$26.3 million, or 58.8 percent of the AA's allocated tier 1 capital.

Number and Amount of Qualified Investments

CD qualified investments and donations made within the full-scope NH AA is reflective of excellent responsiveness. Combined qualified investment and donation activity during the evaluation period totaled \$2.4 million, or approximately 5.4 percent of allocated tier 1 capital as of December 31, 2020. Within the full-scope NH AA, the bank invested in a CRA-qualified Low-Income Housing Tax Credit fund that targets LMI borrowers within the AA for community investment. During the evaluation period, the bank's qualified investment activity totaled \$2.3 million, or approximately 5.2 percent of allocated tier 1 capital. Additionally, the bank made 103 qualified donations totaling \$71,454, or approximately 0.2 percent of allocated tier 1 capital, that met the definition for CD. These donations benefited community service and affordable housing organizations in the AA that provide direct assistance to LMI populations.

The highlights of the bank's CD donations include the following:

- A \$3,500 donation to a health organization operating in the community that provides health care and hospice services for LMI elderly.
- A \$1,000 donation to a local community group whose mission is to provide educational services for disabled persons in the AA, including those who are low- and/or moderate-income.
- A \$1,000 donation to a local community food organization that provides meals to LMI populations in the AA.

Extent to Which the Bank Provides Community Development Services

The bank provides an excellent level of CD services in the full-scope NH AA. During the evaluation period, 17 bank members provided approximately 1,169 hours of experience, leadership services, or community service to different CD-eligible organizations within the AA. The services met the regulatory definition of CD and included the provision of financial literacy training and technical assistance, often in leadership positions, for LMI populations and geographies within the AA.

The highlights of the bank's CD services are as follows:

- An employee served on a board providing technical service in a leadership position for a local community organization that provides targeted services, including food services, for LMI groups in the AA.
- An employee serves on the board of a community organization that operates in the Upper Valley NH region providing affordable housing for LMI families.

Five employees provided financial literacy training for LMI borrowers during the evaluation period as part of a classroom setting.

State Rating

State of Vermont

CRA rating for the State of Vermont:	Satisfactory
The Lending Test is rated:	Satisfactory
The Community Development Test is rated:	Satisfactory

The major factors that support this rating include:

- The bank exhibits poor geographic distribution of loans in the state after taking performance context, which includes material demographic and competitive factors that limited lending opportunities, into consideration.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes given the product lines offered by the bank.
- No CRA or Fair Lending-related complaints originating within VT were received by the bank or the agency during the evaluation period.
- The bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Description of Institution's Operations in Vermont

The state of VT represents LNB's secondary area of operations. The bank's VT-based AA is comprised of a single rating area, the full-scope VT AA. Within the charts of this evaluation, the full-scope VT AA is referred to as FS VT AA. This rating area is composed of the entirety of Orange and Windsor Counties in VT and borders the bank's NH-based AA to the east. The VT AA contains a total of 28 CTs, including one moderate-, 22 middle-, and five upper-income CTs. We noted that this rating area does not contain any low-income geographies as of the 2015 ACS Census update.

The bank operates in a competitive VT market area that includes large regional banks and national home mortgage lenders. The FDIC Deposit Market Share Report, as of June 30, 2020, indicates that 23 institutions operate in the state of VT, with LNB ranking 19th with less than one percent of the deposit market share. People's United Bank, NA; TD Bank, NA; and Community Bank, NA are ranked as the top three in deposit market share, holding approximately 55.2 percent of deposits. Local competitors include, but are not limited to KeyBank, NA; Northfield Savings Bank; Citizens Bank, NA; Union Bank; and Community National Bank.

As part of the performance context when evaluating lending performance, we considered the disparity between the median income of families within the AA compared to the median cost of housing and the impact that this gap has on home ownership within the full-scope VT AA. In this AA, 7.3 percent of families are noted as being below the poverty level and 38.5 percent of households are low- or moderate-income. We noted that 43.3 percent of households were classified as upper income during the scope of this evaluation. Consequently, similarly to the homeownership pressures of the full-scope NH

AA, high home prices within the full-scope VT AA limit the availability of affordable housing units for LMI groups and highlights the need for affordable housing within the region.

Additionally, as part of the CRA evaluation, examiners leveraged data obtained from a recent community contact within the state of VT to gain a better understanding of the local economic conditions and CD needs. This community organization's mission is to create and provide affordable housing and community services to communities within VT. The contact prescribed that, due to a prolonged expensive housing market, affordable housing, particularly for LMI seniors, is an emerging need within the local market area. The contact discussed several opportunities and programs related to affordable housing and community service that banks within the community are able to participate in by partnering with locally-based organizations that work to connect financial institutions with LMI borrowers. The contact noted that local financial institutions are supportive in meeting the CD needs of the surrounding market area; however, continued support is needed to curtail rising credit needs.

According to January 2021 Moody's Analytics Inc data, the state of VT's economy was still recovering from the previous recession, but momentum had stalled during the latter part of 2020 due to a shrinking labor market and underperforming tourist economy. The economic recovery was also negatively impacted by the COVID-19 pandemic. The state of VT's economic recovery is anticipated to accelerate as populations become vaccinated; however, overall gains in the state are projected to lag both the greater New England region and the nation. Within the state, the top employers include The University of Vermont Medical Center and the University of Vermont with more than 5,500 and 3,700 employees, respectively. Other top employers include Vermont Wood Manufacturers Association, GlobalFoundries, Rutland Regional Medical Center, and Shaw's Supermarkets Inc with total employees per employer greater than 1,600 but less than 3,700.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Ledyard_FS VT AA-2020						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	0.0	3.6	78.6	17.9	0.0
Population by Geography	85,079	0.0	0.4	82.1	17.6	0.0
Housing Units by Geography	49,021	0.0	0.4	81.5	18.2	0.0
Owner-Occupied Units by Geography	26,840	0.0	0.3	81.4	18.3	0.0
Occupied Rental Units by Geography	9,815	0.0	0.7	82.2	17.0	0.0
Vacant Units by Geography	12,366	0.0	0.3	80.9	18.8	0.0
Businesses by Geography	8,277	0.0	0.6	77.8	21.6	0.0
Farms by Geography	594	0.0	0.2	84.2	15.7	0.0
Family Distribution by Income Level	23,171	18.0	16.9	22.6	42.5	0.0
Household Distribution by Income Level	36,655	22.7	15.8	18.2	43.3	0.0
Median Family Income Non-MSAs - VT		\$64,849	Median Housing Value			\$220,247
			Median Gross Rent			\$883
			Families Below Poverty Level			7.3%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

Scope of Evaluation in Vermont

We conducted a full-scope review of the VT AA and based the entirety of the state of VT rating on our assessment of the performance within this full-scope AA. As discussed previously, compared to the state of NH assessment, the state of VT accounts for 17.6 percent, 11.1 percent, and 33.6 percent of all bank-wide deposits, branches, and total lending, respectively. Furthermore, the full-scope VT AA accounts for 30.1 percent, 23.3 percent, and 24.6 percent of bank-wide CTs, AA population, and AA families, respectively.

The bank's lending performance for home mortgage loans was more heavily weighted than small business loans as 66.9 percent of total loans made within the AA were home mortgages compared to 33.1 percent for small business loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN VERMONT

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of VT is reasonable.

Distribution of Loans by Income Level of the Geography

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

Home Mortgage Loans

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

The geographic distribution of home mortgage loans is poor after taking performance context into consideration. The AA does not include any low-income CTs and the bank did not make any home mortgage loans within moderate-income AA geographies.

The assessment of performance in moderate-income CTs considered the limited number of OO housing units in moderate-income CTs and AA competition. Based on 2020 demographic data, only 8,052, or 0.3 percent of all OO housing units in the AA were in moderate-income CTs. LNB faced competition from other community banks, regional credit unions, and national mortgage lenders. In 2020, the full-scope VT AA reported that, among 170 lending institutions who made at least one home mortgage loan in the AA, only a total of three lenders made home mortgage loans within moderate-income CTs. Additionally, each lender only made one loan within moderate-income CTs, highlighting the limited opportunity for lending in this market area. Additionally, we noted that only 3.6 percent of the CTs in the AA were classified as moderate-income.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is poor after taking performance context into consideration. The AA does not include any low-income CTs and the bank did not make any small business loans within moderate-income AA geographies.

The assessment of performance in moderate-income CTs considered the limited number of businesses in moderate-income CTs and AA competition. Based on 2020 demographic data, only 50, or 0.6 percent of all AA businesses were in moderate-income CTs. LNB faced competition from larger community banking institutions and multinational financial firms. In 2019, the full-scope VT AA reported that, among 59 lending institutions who made at least one small business loan in the AA, only a total of four lenders made loans to small businesses within moderate-income CTs, highlighting the limited opportunity for lending in this market area. Capital One Bank (USA) NA ranked first among these four lenders with two loans to small businesses within moderate-income CTs, accounting for 40 percent of the market. The remaining three lenders in this space each had one instance of small business lending. Additionally, we noted that only 3.6 percent of the CTs in the AA were classified as moderate-income.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in the state of VT 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 borrower distribution of home mortgage loans is reasonable when taking performance context into consideration. The percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families and near the aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers was near the percentage of moderate-income families and significantly exceeded aggregate lending in the AA.

The assessment of performance considered the affordability for LMI borrowers and competition amongst lenders in the AA. Based on the 2020 MFI of \$64,849, low-income families with maximum income of \$32,424 would find it challenging to qualify for a mortgage loan given the median housing value of \$220,247.

Table A 2020 data	Median Family Income*	Median Housing Value	Low- Income Annual Income	Low- Income Monthly Income	Mod- Income Annual Income	Mod- Income Monthly Income	Monthly Mortgage Payment**	Low- Income Payment***	Moderate- Income Payment***
FS VT AA-2020	\$64,849	\$220,247	\$32,424.50	\$2,702.04	\$51,879.20	\$4,323.27	\$1,182.33	\$810.61	\$1,296.98

*Weighted Average of Census MSA Median Family Income via 2020 Demographic Data and 2015 ACS US Census data

**Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses

***Payments calculated at one-third of monthly income

LNB faces significant competition from other large community banks and national mortgage lenders operating within the full-scope VT AA. In 2020, LNB originated three home mortgage loans to low-income borrowers which represented approximately 2.7 percent of the reported market share and would have ranked ninth among 38 reporting lenders. The top five home mortgage lenders to low-income borrowers, Mascoma Bank (18 percent); Quicken Loans LLC (12.6 percent); Bar Harbor Bank & Trust (9.9 percent); Citizens Bank, NA (6.3 percent); and Vermont State Employees Credit Union (5.4 percent), had a combined market share of 52.2 percent. All lenders outside of the top five individually held less than four percent market share. During the same period, LNB originated nine home mortgage loans to moderate-income borrowers which represented approximately 2.3 percent of the reported market share and would have ranked tenth among 58 reporting lenders. The top six home mortgage lenders to moderate-income borrowers, Mascoma Bank (18.8 percent); Quicken Loans LLC (14.1 percent); Bar Harbor Bank & Trust (5.7 percent); Vermont State Employees Credit Union (5.1 percent); Peoples United Bank, NA (4.9 percent); and Northfield Savings Bank (4.6 percent), had a combined market share of 53.2 percent. All lenders outside of the top six individually held less than four percent market share.

Small Loans to Businesses

Refer to Table R in the state of VT 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.

The borrower distribution of small loans to businesses is reasonable when taking performance context into consideration. The percentage of small loans to businesses with gross annual revenues of \$1 million or less was well below the percentage of those businesses and significantly exceeded aggregate lending in the AA.

The assessment of performance considered the significant competition within the full-scope VT AA. In 2019 LNB originated 20 loans to small businesses with revenues less than \$1 million which represented approximately 2.3 percent of the reported market share and would have ranked 13th among 59 reporting lenders. Top lenders in this space include Citibank, NA (14.4 percent); Mascoma Bank (13.8 percent); JPMorgan Chase Bank, NA (13.2 percent); American Express National Bank (12.8 percent); and Capital One Bank (USA), NA (8.1 percent), which, when combined, accounted for approximately 62.3 percent of the market share.

Responses to Complaints

No CRA or Fair Lending-related complaints originating within VT were received by the bank or the agency during the evaluation period of January 1, 2018 through December 31, 2020.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the state of VT is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information 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 \$
FS VT AA	2	33.3	\$125	23.8
Greater Statewide Impact	4	66.7	\$400	76.2
Total	6	100.0	\$525	100.0

CD lending within the full-scope VT AA is reflective of adequate responsiveness. Within the full-scope AA, LNB made two qualified CD loans totaling \$125,000, or approximately 1.3 percent of allocated tier 1 capital. We also considered the level of CD lending within the greater statewide region which included four qualified CD loans totaling \$400,000, or approximately 4.2 percent of allocated tier 1 capital.

The highlights of the bank's CD loans are as follows:

- A \$100,000 CD-qualified loan that was made to a local community organization that provides community services, including job readiness training and education, childcare, and transportation services, for LMI populations located within the full-scope VT AA.
- A \$100,000 CD-qualified loan that was annually renewed during the evaluation period to a state-based CD agency that provides affordable housing, community services, and economic development initiatives to LMI groups within VT, including the bank's AA geographies.

Additional consideration was given to the bank's participation in the SBA's PPP in response to the COVID-19 pandemic during 2020. PPP loans helped revitalize or stabilize communities during the economic disruption brought on by the pandemic through job preservation. Within the full-scope VT AA, LNB originated a total of 93 PPP loans totaling approximately \$10.8 million, or 113 percent of the AA's allocated tier 1 capital.

Number and Amount of Qualified Investments

CD qualified investments and donations made within the full-scope VT AA is reflective of adequate responsiveness. Combined qualified investment and donation activity during the evaluation period totaled \$37,141, or approximately 0.4 percent of allocated tier 1 capital as of December 31, 2020. The bank did not make any qualified investments within the full-scope VT AA; however, during the evaluation period the bank made a total of 59 qualified donations totaling \$37,141 that met the definition for CD. These donations benefited community service and affordable housing organizations in the AA that provide direct assistance to LMI populations.

The highlights of the bank's CD donations include the following:

- A \$6,250 donation to a non-profit housing developer that specializes in the construction of affordable housing units for LMI populations in the AA.
- A \$1,500 donation to a local food pantry that provides food and housing services for LMI populations and geographies in VT.
- A \$500 donation to a local community organization that focuses on providing youth programming to LMI students based within the VT AA.

Extent to Which the Bank Provides Community Development Services

The bank provides an excellent level of CD services in the full-scope VT AA. During the evaluation period, seven bank members provided approximately 480 hours of experience, leadership services, or community service to different CD-eligible organizations within the AA. The services met the regulatory definition of CD and included the provision of financial literacy training and technical assistance, often in leadership positions, for LMI populations and geographies within the AA.

The highlights of the bank's CD services are as follows:

- An employee served on the board and provided technical assistance for a local community group that provides community services to LMI groups in the AA.
- An employee served on the board for a community organization that provides education services for LMI youth in the AA. The employee also provided technical assistance in the form of accounting and bookkeeping services.
- Throughout the evaluation period, one bank employee served on the board and provided technical assistance for a local organization that provides mentoring and education services for LMI students.

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”.

Time Period Reviewed:	Lending and Community Development Test – (01/01/2018 to 12/31/2020)	
Bank Products Reviewed:	Home Mortgage and Small Business Loans Community Development-Eligible Loans, Investments, and Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed.		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of New Hampshire		
Full-Scope NH nonMSA AA	Full-Scope	<ul style="list-style-type: none"> • NH nonMSA (#99999) <ul style="list-style-type: none"> • Full Grafton (#009), Merrimack (#013), and Sullivan (#019) Counties
State of Vermont		
Full-Scope VT nonMSA AA	Full-Scope	<ul style="list-style-type: none"> • VT nonMSA (#99999) <ul style="list-style-type: none"> • Full Orange (#017) and Windsor (#027) Counties

Appendix B: Summary of MMSA and State Ratings

RATINGS – Ledyard National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank State/ Rating
Ledyard National Bank	Satisfactory	Satisfactory	Satisfactory
State:			
State of New Hampshire	Satisfactory	Outstanding	Satisfactory
State of Vermont	Satisfactory	Satisfactory	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 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Ledyard_FS NH AA-2020	358	97,647	65.8	13,051	0.0	0.0	0.0	13.4	0.3	9.0	53.7	38.8	51.6	32.9	60.9	39.4	0.0	0.0	0.0
Ledyard_FS VT AA-2020	186	42,829	34.2	2,974	0.0	0.0	0.0	0.3	0.0	0.1	81.4	42.5	77.0	18.3	57.5	22.9	0.0	0.0	0.0
Total	544	140,476	100.0	16,025	0.0	0.0	0.0	10.0	0.2	7.3	60.8	40.1	56.3	29.1	59.7	36.4	0.0	0.0	0.0

Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Ledyard_FS NH AA-2020	358	97,647	65.8	13,051	18.2	3.9	4.0	16.8	12.3	16.1	21.7	17.0	22.3	43.3	66.8	43.8	0.0	--	13.9
Ledyard_FS VT AA-2020	186	42,829	34.2	2,974	18.0	3.2	3.7	16.9	15.1	13.1	22.6	12.4	20.6	42.5	69.4	51.6	0.0	--	11.0
Total	544	140,476	100.0	16,025	18.2	3.7	4.0	16.8	13.2	15.6	21.9	15.4	21.9	43.1	67.6	45.2	0.0	--	13.3

Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
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																			2018-20	
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	
Ledyard_FS NH AA-2020	192	64,143	67.6	6,229	0.0	0.0	0.0	16.9	2.6	16.0	49.1	51.0	49.5	34.0	46.4	34.5	0.0	0.0	0.0	
Ledyard_FS VT AA-2020	92	30,375	32.4	1,693	0.0	0.0	0.0	0.6	0.0	0.3	77.8	63.0	77.5	21.6	37.0	22.2	0.0	0.0	0.0	
Total	284	94,518	100.0	7,922	0.0	0.0	0.0	13.2	1.8	12.7	55.7	54.9	55.5	31.2	43.3	31.8	0.0	0.0	0.0	

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2018-20	
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		
Ledyard_FS NH AA-2020	192	64,143	67.6	6,229	85.0	52.1	45.1	4.8	47.9	10.2	0.0		
Ledyard_FS VT AA-2020	92	30,375	32.4	1,693	86.6	48.9	48.6	4.3	51.1	9.1	0.0		
Total	284	94,518	100.0	7,922	85.4	51.1	45.9	4.7	48.9	10.0	0.0		

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%