



PUBLIC DISCLOSURE

April 20, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Old Point National Bank of Phoebus
Charter Number 12267**

1 West Mellen Street, Hampton, Virginia 23663

Office of the Comptroller of the Currency
Roanoke Field Office
4419 Pheasant Ridge Road
Suite 300
Roanoke, Virginia 24014

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it 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.

INSTITUTION'S CRA RATING: Outstanding.

The Lending Test is rated: Outstanding.

The Community Development Test is rated: Outstanding.

Below is a summary of the major factors supporting the institution's rating:

- The bank's average loan-to-deposit (LTD) ratio is reasonable compared to similarly situated institutions;
- A majority of the loans originated during the evaluation period were within the bank's assessment area (AA);
- The geographic distribution of loans reflects excellent dispersion throughout the AA;
- The distribution of borrowers, given the demographics of the AA, reflects satisfactory dispersion to borrowers of different incomes;
- Lending to businesses of different sizes is excellent;
- The bank demonstrates excellent responsiveness to community development needs; and,
- The bank is a leader in providing community development services.

Scope of Examination

The Old Point National Bank of Phoebus (OPNB) was evaluated under the Intermediate Small Bank examination procedures, which include a lending and community development (CD) test. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The CD test evaluates the bank's responsiveness to CD needs in its AA through CD lending, services, and qualified investments. The evaluation period under the Lending Test covers the bank's performance from January 1, 2014, through December 31, 2015. The evaluation period for the community development test is January 22, 2013, to April 18, 2016.

We reviewed loans to businesses and home mortgage loans since these represent the bank's primary loan products. We utilized business loan and Home Mortgage Disclosure Act (HMDA) data reported by the bank. Loans originated during calendar years 2014 through 2015 are represented in tables throughout this Evaluation.

Data Integrity

OPNB's public lending information is considered to be accurate. We tested the accuracy of the bank's publicly filed information for home mortgages. Our July 2015 testing results validated the effectiveness of the bank's internal processes for collecting, validating, and filing reportable loan data.

We verified community development loans, investments, and services submitted by bank management to ensure they met the regulatory definition for community development.

Selection of Areas for Full-Scope Review

OPNB does business in one AA, which is comprised of the Virginia Beach-Norfolk-Newport News VA-NC MSA 47260 (Virginia Beach AA). The AA received a full-scope review.

Description of Institution

OPNB, established in 1922, is an intrastate bank headquartered in Hampton, Virginia. The bank is owned by Old Point Financial Corporation (OPFC), an \$897 million holding company, headquartered in Hampton, Virginia. OPFC also owns Old Point Trust and Financial Services, N.A. (Old Point Trust), which is located in Newport News, Virginia. Neither OPFC nor Old Point Trust conduct any lending activities. OPFC stock is traded on the NASDAQ Small Cap market under the symbol OPOF. The bank owns a 49 percent share in Old Point Mortgage LLC, with offices in Virginia Beach and Newport News. The bank provides Old Point Mortgage LLC with a warehouse line of credit for funding purposes, then shares pro-rata on income and fees generated.

OPNB had total assets of \$892 million as of December 31, 2015. Net Tier 1 Capital was \$88.3 million. Based on outstanding loan balances, loans to businesses are a major product, followed by home mortgage loans, and consumer loans.

OPNB operates 18 full service branches, two limited service branches, 17 deposit-taking automated teller machines (ATMs) and four cash-only ATMs throughout the Hampton Roads region of Virginia. Two branches are located in low-income census tracts and five branches are located in moderate-income census tracts. The bank offers traditional commercial and consumer lending products, and retail and commercial business deposits, with fiduciary services provided by its affiliate, Old Point Trust.

Table 1 reflects the composition of OPNB's loan portfolio as of December 31, 2015. Gross loans comprised 63.74 percent of total assets. The bank's loan portfolio has grown following the recession in 2012. The bank's total gross loans increased from \$471 million at January 1, 2012, to \$569 million on December 31, 2015.

During the evaluation period, there were no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. The bank received an "Outstanding" rating in its January 2013 CRA Performance Evaluation.

Table 1. Loan Product Category	Gross Loans as of December 31, 2015	
	Dollar (\$000's)	Percent of total loans
Commercial Real Estate	\$265,952	46.78
Residential Mortgage Loans	171,057	30.09
Consumer Loans	50,427	8.87
Commercial and Industrial	43,197	7.60
Construction & Land Development	19,835	3.49
All Other loans	18,007	3.17
Total	\$568,575	100.00

*Data obtained from Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only - FFIEC 041 as of December 31, 2015.

Description of Assessment Area

OPNB has defined their AA as a portion of the Virginia Beach AA. The greater metropolitan area is commonly known as Hampton Roads and is located along the eastern Virginia coast. The AA includes the Counties of James City and York, and the cities of Chesapeake, Gloucester, Hampton, Isle of Wright, Mathews, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg. The bank's AA is consistent with the requirements of the regulation. Please refer to **Table 2** below for demographic data on the AA.

TABLE 2 DEMOGRAPHIC INFORMATION FOR FULL SCOPE AREA: VIRGINIA BEACH AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	410	6.59	24.39	36.59	30.24	2.20
Population by Geography	1,641,078	4.91	22.62	37.44	35.03	0.01
Owner-Occupied Housing by Geography	391,937	1.92	16.76	39.51	41.81	0.00
Business by Geography	117,419	4.55	18.69	37.73	38.69	0.34
Farms by Geography	2,805	1.71	13.05	40.68	44.39	0.18
Family Distribution by Income Level	414,999	19.18	18.15	22.11	40.56	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	154,916	8.83	33.09	38.82	19.27	0.00
Median Family Income		\$67,485	Median Housing Value	\$255,790		
HUD Adjusted Median Family Income for 2015		\$74,000	Unemployment Rate	4.5%		
Households Below Poverty Level		10%	(BLS, December 2015)			

(* The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census and 2015 HUD updated MFI; Bureau of Labor Statistics

The Virginia Beach AA is situated in the southeastern corner of Virginia. The MSA centers on Hampton Roads, the world's largest natural deep-water harbor. Nine cities and five counties comprise the metropolitan area. A totally integrated transportation network of interstate highways, air, rail, and sea services provide excellent access for businesses and naval operations in this area of Virginia.

The Hampton Roads region's economic base is largely port-related, including shipbuilding, ship repair, naval installations, cargo transfer and storage, and manufacturing related to the processing of imports and exports. Associated with the ports' military role are over 50,000 federal civilian employees. The Norfolk International Airport is generally within a 30-minute commute of all business and residential areas.

Shipping (shipbuilding, ship repair, cargo transfer and storage) and government (federal, state, and local) play a large role in the area's economy. Hampton Roads is home to a number of military bases, including one of the largest military bases in the country. Each branch of the military has a presence in Hampton Roads. The retail business segment is the largest employer in the area, followed by manufacturing concerns. Hampton Roads is home to four Fortune 500 companies: Huntington Ingalls Industries (shipbuilding), Norfolk Southern (transportation), Smithfield Foods (food industry), and Dollar Tree (retail).

Huntington Ingalls Industries is America's largest military shipbuilding company and a provider of manufacturing, engineering, and management services to the nuclear energy, and oil and gas markets. Headquartered in Newport News, Virginia, Newport News Shipbuilding is the sole designer, builder, and refueler of U.S. Navy aircraft carriers and one of two providers of U.S. Navy submarines.

Norfolk Southern Corporation, one of the nation's premier transportation companies, operates the most extensive intermodal rail carrier networks and is a major transporter of coal, automotive, and industrial products.

Hampton Roads' economy still relies heavily on defense spending, with roughly 40 percent of the region's economy tied either directly or indirectly to the Department of Defense. Military and defense spending in the area is decreasing. The total number of active-duty military personnel in the region continues to decline and the Navy continues to reduce the number of ships home ported in Hampton Roads. Government jobs declined across the board in Hampton Roads. In 2015, three local shipyards announced layoffs beginning in 2015 and continuing in 2016. The three shipyards are BAE Systems Norfolk Ship Repair, General Dynamics NASSCO, and Newport News Ship Building. Approximately 1,500 workers were directly affected by these layoffs.

Within the industrial sector, government is the largest employer, followed by trade, transportation and utilities. The federal government has based two major research laboratories within the AA. NASA/Langley is the home of a variety of aircraft-related research, including several one-of-a-kind wind tunnels. It is on the northeast edge of Hampton, near Poquoson. In addition, the Department of Energy's Thomas Jefferson

National Accelerator Facility (known as 'Jefferson Lab') conducts innovative physics research in Newport News. In October, the National Science Foundation's Nuclear Science Advisory Committee approved pursuit of an electron ion collider (EIC) as the nation's highest priority for new facility construction, which will keep the U.S. on the cutting edge of nuclear and accelerator science.

Although the economic conditions have improved since 2012, the recovery is still sluggish. As of December 2015, the unemployment rate of 4.5 percent is higher than the Virginia state rate of 4.1 percent, but lower than the national average of 4.9 percent. According to the 2010 U.S. Census data, 9.64 percent of the households in the AA are below the poverty level, 24.72 percent receive social security, 1.91 percent receive public assistance, and 23.85 percent receive retirement benefits. In 2015, Hampton Roads still had yet to recover 15,300 jobs the region lost during the recession, let alone have additional employment growth.

While hotel revenues in 2014 were 6.8 percent below the record level in 2007, the "America's Historic Triangle" (which includes Colonial Williamsburg, Jamestown, and Yorktown) experienced nine percent hotel revenue growth from 2014 to 2015 — the largest growth in the region— after losing market share to Virginia Beach for years. Its regional market share increased from 17.6 percent in 2014, to 19.4 percent in 2015.

We conducted one community contact to determine credit and development needs in the AA. Our contact indicated there are numerous opportunities for bank involvement in the local economy; however, there is fierce competition amongst financial institutions of all sizes for business. The community and regional banks are very active in the middle market and small community banks and credit unions are active in the retail market. Developers continue to build large multi-use and townhouse developments financed by the larger institutions and home purchasers continue to acquire the newly built stock using financing from the smaller community banks and credit unions. Large and multi-national financial institutions "cherry pick" the largest deals with terms and rates local institutions cannot match. Our contact said local financial institutions are very involved in the local economy.

Conclusions with Respect to Performance Tests

Description of Institution's Operations in Virginia

OPNB's business is concentrated in the Virginia Beach AA. The FDIC Summary of Deposits, updated as of June 30, 2015, reported that there were 30 banking companies operating a total of 351 branches in the AA. OPNB was ranked seventh in deposit market share with 3.18 percent of total deposits. On a statewide comparison, OPNB ranked 32nd among 140 financial institutions in the state, with total deposits of \$726 million and a less than one percent deposit market share.

OPNB's primary competitors for home loans and small business loans are several large national banks, large state banks, and credit unions serving military families. Commercial banking competitors include Wells Fargo Bank, N.A. and Bank of America, N.A. State banking competitors include Towne Bank, SunTrust Bank, Branch Banking and Trust Company (BB&T), Monarch Bank, and Bank of Hampton Roads.

Overall lending levels reflect reasonable responsiveness to meeting AA credit needs. The bank ranked 59th in overall loan market share among 460 HMDA reporters in the AA. OPNB ranked number 59 for home purchase loans, number 19 for home improvement loans, and number 56 for home mortgage refinance loans, with respective market shares of 0.20 percent, 0.90 percent, and 0.41 percent. Residential lending market shares reflect strong competition with 140 banks in the AA, and 460 residential lenders in the AA.

Lending Test

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered the bank's business strategy and financial condition; the number and types of loans originated, and community credit needs identified through discussions with community contacts. We also considered the amount of competition from lenders not located in the AA. The bank's lending has declined over the past two years due to a lack of quality loan demand. Factors that impacted the lack of quality loan demand include: weak economic conditions, layoffs at naval bases in the area, and strong competition in the area for quality loans.

OPNB's primary loan types, based on originations during the evaluation period, are loans to businesses and home mortgage loans. To arrive at the lending test rating, we gave more weight to loans to businesses than HMDA loans because there were almost twice as many business loan originations as HMDA loan originations during the evaluation period. Additionally, OPNB provided information on loans to businesses secured by residential property and letters of credit. Within HMDA loan types, home purchase and refinance loans were weighted more heavily than home improvement loans because they represented 92.37 percent of all HMDA loans originated during the evaluation period.

Loan-to-Deposit Ratio

The bank's average LTD ratio is reasonable in light of circumstances such as their capacity to lend, other similarly situated institutions in their AA, demographic and economic facts about the AA, and the lending opportunities available in the bank's AA.

The bank's quarterly average LTD ratio of 69.93 percent is reasonable when compared to the quarterly averages of similarly situated banks. Peer institutions reported an average low LTD ratio of 45.43 percent and an average high LTD ratio of 96.84 percent.

Lending in Assessment Area

Inside/Outside Ratio

OPNB originated a majority of its loans inside its AA. Based on originations and purchases of residential mortgages and business loans during the evaluation period, 76.44 percent of the loans in number and 86.74 percent in dollar volume were inside the AA. Of those within the AA, 71 percent represented loans to small businesses and 29 percent were 1-4 family mortgage related. **Table 3** shows the volume of lending by loan type in OPNB's AA by number and dollar.

Table 3 – Lending in Virginia Beach AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	103	11.06%	266	92.68%	369	24,160	13.24%	20,507	73.51%	44,667
Home Improvement	64	6.87%	2	0.70%	66	5,683	3.11%	166	0.60%	5,849
Home Refinance	103	11.06%	4	1.39%	107	24,023	13.16%	2,132	7.64%	26,155
Small Business/Farm	661	71.00%	15	5.23%	676	128,676	70.49%	5,093	18.26%	133,769
Totals	931	76.44%	287	23.56%	1,218	\$182,542	86.74%	27,898	13.26%	210,440

Source: Data reported under HMDA from January 1, 2014 - December 31, 2015 and CRA data of loans to businesses for the same period.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes, given the demographics of the AA.

Please refer to **Table 4** below for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. We considered the number of families that live below the poverty level and the barriers that this may have on home ownership in evaluating the borrower distribution of home mortgage loans. The median cost of housing in the AA is \$255,790 based on 2010 U.S. Census data, and 9.64 percent of the families in the AA live below the poverty level. The HUD-updated median family income for 2015 is \$74,000. This means that a low-income family earns less than \$36,993. Based on these statistics, it would be difficult for low-income families to purchase housing in the AA.

Home Mortgage Loans

The overall borrower distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels.

The borrower distribution of home purchase loans is poor. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families in the AA.

The borrower distribution of home improvement loans is reasonable. The percentage of loans to low-income borrowers is below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA.

The borrower distribution of home mortgage refinance loans is reasonable. The percentage of loans to low-income borrowers is below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA.

Table 4 - Borrower Distribution of Residential Real Estate Loans in Virginia Beach AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.18	4.17	18.15	8.33	22.11	14.58	40.56	72.92
Home Improvement	19.18	14.55	18.15	27.27	22.11	16.36	40.56	41.82
Home Refinance	19.18	8.00	18.15	16.00	22.11	8.00	40.56	68.00

Source: OPNB HMDA data 2014 – 2015, 2010 U.S. Census data.

Loans to Small Businesses

Please refer to **Table 5** and **Table 6** below for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of loans to small businesses.

The borrower distribution of loans to small businesses is reasonable. Compared to the percentage of AA businesses with gross annual revenues less than or equal to \$1 million, the bank's penetration is poor in terms of dollar volume and the number of loans, but is reasonable given the lending opportunities available in the AA. We gave additional weight to the volume of small dollar loans the bank originated over the evaluation cycle.

Table 5 - Borrower Distribution of Loans to Businesses in Virginia Beach AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
Percent of AA Businesses	77.87%	4.12%	18.01%	100%
Percent of Bank Loans in AA by #	42.47%	47.26%	10.27%	100%
Percent of Bank Loans in AA by \$	32.57%	62.55%	4.88%	100%

Source: OPNB HMDA data 2014 – 2015, 2010 U.S. Census data.

Table 6 indicates that a majority of loans to small businesses are for amounts of \$100 thousand or less.

Table 6 - Borrower Distribution of Loans to Businesses by Loan Size in Virginia Beach AA				
Loan Size (\$000's)	Number of Loans	Percent of Number	Dollar Volume of Loans (\$000)	Percent of Dollar Volume
\$0 - \$100,000	151	51.71%	\$7,211	11.94%
\$100,001 - \$250,000	58	19.86%	\$10,091	16.71%
\$250,001 - \$1,000,000	83	28.43%	\$43,082	71.35%
Total	292	100.00%	\$60,384	100.00%

Source: OPNB HMDA data 2014 – 2015, 2010 U.S. Census data.

Geographic Distribution of Loans

The overall geographic distribution of loans by income level reflects excellent dispersion. The geographic distribution of home mortgage loans by income level was reasonable. The geographic distribution of small loans to businesses was excellent. We did not identify any unexplained, conspicuous gaps in lending.

Home Mortgage Loans

Please refer to **Table 7** below for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. We considered the demographic characteristics of low- and moderate-income geographies in evaluating geographic distribution of mortgage loans. We placed more weight on performance in moderate-income geographies than in low-income geographies because of significantly fewer opportunities in low-income geographies. There are 27 low-income geographies in the AA. Only 4.91 percent of the AA population lives in low-income geographies, and only 1.92 percent of the owner-occupied housing units are located in low-income geographies. These factors impact the bank's ability to make mortgage loans to individuals residing in these geographies.

Thirty-three percent of the occupied housing units in these geographies are rental properties. This adversely impacts the bank's ability to make mortgage loans to individuals residing in moderate-income geographies. We also considered the number of competitors making loans in this market.

The geographic distribution of home purchase loans is excellent. The percentage of loans to borrowers living in low-income geographies exceeds the percentage of owner-occupied units within these geographies. The percentage of loans to borrowers living in moderate-income geographies is below the percentage of owner-occupied units within these geographies.

The geographic distribution of home improvement loans is excellent. The percentage of loans to borrowers living in low-income geographies exceeds the percentage of owner-occupied units within these geographies. The percentage of loans to borrowers living in moderate-income geographies exceeds the percentage of owner-occupied units within these geographies.

The geographic distribution of home mortgage refinance loans is excellent. The percentage of loans to borrowers living in low-income geographies exceeds the percentage of owner-occupied units within these geographies. The percentage of loans to borrowers living in moderate-income geographies is near to the percentage of owner-occupied units within these geographies.

Table 7 - Geographic Distribution of Residential Real Estate Loans in Virginia Beach AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	1.92	2.97	16.76	8.91	39.51	29.70	41.81	58.42
Home Improvement	1.92	4.84	16.76	20.97	39.51	38.71	41.81	35.48
Home Refinance	1.92	3.00	16.76	14.00	39.51	50.00	41.81	33.00

Source: OPNB HMDA data 2014 – 2015, 2010 U.S. Census data.

Loans to Small Businesses

Please refer to **Table 8** below for the facts and data used to evaluate the geographic distribution of the bank’s origination/purchase of small loans to businesses. We considered the demographic characteristics of low- and moderate-income geographies in evaluating geographic distribution of loans to businesses.

The geographic distribution of loans to small businesses reflects excellent dispersion. The percentage of loans to businesses in low-income geographies exceeds the percentage of businesses in these geographies. The percentage of loans to businesses in moderate-income geographies exceeds the percentage of businesses in these geographies.

Table 8 - Geographic Distribution of Loans to Small Businesses in Virginia Beach AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Loans to Small Businesses	3.69%	14.52%	17.91%	25.81%	34.95%	28.23%	43.25%	30.65%

Source: 2010 U.S. Census data; OPNB CRA data 2014 – 2015.

COMMUNITY DEVELOPMENT TEST

The Community Development test is rated Outstanding. OPNB's CD activities demonstrate excellent responsiveness to the CD needs of its AAs, when considering the bank's capacity, performance context, and the availability of CD opportunities in the bank's AAs.

In evaluating performance under the Community Development Test, we considered the bank's capacity to lend and invest in its community, the availability of investment and community development lending opportunities, and the bank's responsiveness in providing services to the communities in which it does business.

Number and Amount of Community Development Loans

Community development lending had a positive impact on lending performance in the AA. During the evaluation period, OPNB originated 22 qualified CD loans totaling \$15.5 million. These loans were for various operating needs of organizations that provide CD services and construct affordable housing for low- and moderate-income (LMI) individuals and families, including special needs projects for persons with disabilities, and to fund rehabilitation of property in downtown Hampton.

Number and Amount of Qualified Investments

The bank has a significant level of qualified investments in the AA. The bank showed excellent responsiveness to credit and CD needs.

The bank has three current period investments to Virginia Community Development Corporation/Housing Equity Fund of Virginia. Equity Fund of Virginia XVI is an investment in the development of good quality affordable rental housing, one of which is Warwick SRO in Newport News, Virginia. This project involves the historic rehabilitation of 88 units of single room occupancy (SRO) efficiencies located in the former Warwick Hotel. OPNB committed \$1 million to this project and added \$871,000 in capital calls since 2013.

Equity Fund of Virginia XVIII is an investment in the New Phoenix Village project which will combine two small adjacent properties located in a low-income CT in Newport News. OPNB committed \$2 million to this project and added \$22,000 in capital calls since 2013.

Equity Fund of Virginia XIX was formed to encourage corporations to invest in low-income residential properties to revitalize communities and remove blighted conditions. OPNB committed \$1 million to this project and added \$1,000 in capital calls since 2015.

The bank made 26 qualified CD investments totaling approximately \$1.84 million to CD organizations that provide direct support and services to moderate-income geographies and low- and moderate-income individuals in the AA. OPNB also made donations

totaling approximately \$28 thousand during the evaluation period. The donations were made to service organizations that provide assistance to low- and moderate-income families in the bank's AA.

Extent to Which the Bank Provides Community Development Services

The bank is a leader in providing CD services. Officers and staff contributed services to 65 community service organizations in the AA during the evaluation period. These services consistently addressed CD needs through service on committees and boards of directors for organizations that provide affordable housing, community services, and financial services to low- and moderate-income areas or individuals. Bank representatives also provided technical assistance to organizations whose primary goal is to raise and distribute funds to organizations that provide services to low- and moderate-income individuals and geographies. Bankers conducted training sessions for low- and moderate-income adults on budgeting and the appropriate use of credit.

Responsiveness to Community Development Needs

The bank's CD activities demonstrate excellent responsiveness to the CD needs of its AA. This takes into consideration the bank's capacity, the need, and the availability of such opportunities for CD in the bank's AA. The demographic characteristics of the AA limit the types of CD needs that can be served by the institution. We did not identify any unmet CD needs during the evaluation.

Responses to Complaints

OPNB received no complaints during the evaluation period related to the bank's performance in meeting AA credit needs. This has a neutral impact on OPNB's overall performance.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.