



STATE OF CONNECTICUT
DEPARTMENT OF BANKING

**COMMUNITY REINVESTMENT
PERFORMANCE EVALUATION**

Fairfield County Bank
Certificate Number: 18213

150 Danbury Road
Ridgefield, Connecticut 06877

Date of Examination August 31, 2018

Examiner-in-Charge Terralyn Cooper

THIS CRA EVALUATION IS AVAILABLE FOR PUBLIC REVIEW AND COMMENT

This evaluation reflects the Banking Commissioner's assessment pursuant to Connecticut General Statutes §36a-30 of the performance of this bank in helping to meet the credit needs of its local communities, 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 herein does not represent an analysis, conclusion, or opinion of the State of Connecticut Department of Banking concerning the safety and soundness of this financial institution.

**JORGE L. PEREZ
BANKING COMMISSIONER**

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GENERAL INFORMATION

Connecticut General Statutes (C.G.S.) section 36a-30(3)(b) Connecticut Community Reinvestment (CRA) requires the Banking Commissioner to assess the record of each bank in satisfying its continuing and affirmative obligations to help meet the credit needs of its local communities, including low- and moderate-income neighborhoods, consistent with safe and sound operations of such banks. Upon conclusion of such assessment, the Commissioner shall prepare a written evaluation of the bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.

This document reflects an evaluation of the CRA performance of Fairfield County Bank prepared by the Connecticut Department of Banking as of August 31, 2018. This agency rates CRA performance of state chartered banks, under its supervision, consistent with the provisions set forth in subsection (a) of section 36a-32 of the C.G.S.

This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Connecticut Department of Banking concerning the safety and soundness of this financial institution.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated "**Satisfactory**".

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following table reflects the performance of Fairfield County Bank with respect to the Lending, Investment, and Service Tests

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs Improvement			
Substantial Noncompliance			

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

Fairfield County Bank's performance under the Lending, Investment, and Service Tests supports the overall satisfactory rating.

The Lending Test is rated Low Satisfactory

- FCB's lending levels reflect excellent responsiveness to assessment area credit needs.
- A substantial majority of loans are made in the bank's assessment area.
- The geographic distribution of loans reflects adequate penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different size.
- The bank exhibits an adequate record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or small businesses consistent with safe and sound banking practices.
- FCB has an adequate level of community development loans.
- The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs.

The Investment Test is rated Low Satisfactory

- FCB has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- FCB exhibits adequate responsiveness to credit and community economic development needs.

- The bank rarely uses innovative and/or complex investments to support community development initiatives. Based on the bank's asset size and resources opportunities for these investments are limited.

The Service Test is rated High Satisfactory

- The bank's delivery systems are accessible to essentially all portions of the assessment area.
- To the extent changes have been made, the bank's opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- The bank's services and business hours do not vary in a way that inconveniences portions of the assessment area particularly low- and moderate-income geographies and/or individuals.
- The bank provides a relatively high level of community development services.

SCOPE OF EVALUATION

General Information

The State of Connecticut Department of Banking (CTDOB) conducted an offsite evaluation of Fairfield County Bank's (FCB's) CRA performance. The Community Reinvestment Act performance of FCB was evaluated using the Federal Financial Institution Examination Council's (FFIEC's) CRA Examination Procedures for Large Institutions. This evaluation covers the bank's CRA performance since the previous evaluation dated October 17, 2016. The FFIEC's CRA Examination Procedures for Large Institutions include three tests: Lending Test, Investment Test, and Service Test.

In conducting this evaluation, examiners relied on records provided by the bank, public loan and financial information, demographic and economic data from the 2010 U.S. Census, 2015 American Community Survey (ACS), U.S. Bureau of Labor Statistics, and Dun and Bradstreet (D&B), as well as, loan information reported under the Home Mortgage Disclosure Act (HMDA) and the Community Reinvestment Act (CRA). Bank financial data was obtained from the December 31, 2018 Report of Income and Condition (Call Report).

The Lending Test considered the bank's performance according to the following criteria:

- Lending activity
- Assessment area concentration
- Geographic distribution of loans
- Borrower profile
- Use of innovative and/or flexible lending practices
- Community development lending activities

The bank does not have any affiliates engaged in lending.

The Investment Test assessed the following criteria:

- Number and dollar amount of qualified investments
- Innovativeness and complexity of qualified investments
- Responsiveness of qualified investments to credit and community development needs
- Degree to which qualified investments are not routinely provided by private investors

The Service Test assessed the following criteria:

- Accessibility of delivery systems
- Changes in branch locations
- Reasonableness of business hours and services in meeting assessment area(s) needs
- Number of qualified community development services offered and used.

In addition to performance under the Lending Test, Investment Test, and Service Test subsection (a) of section 36a-32 of the C.G.S. requires the Banking Commissioner also consider:

- The bank's record of offering escrow accounts for purposes of compliance with subsection (h) of section 47a-21 (Rental Security Deposits);
- Efforts of the bank to work with delinquent residential mortgage customers who are unemployed or underemployed to facilitate a resolution of the delinquency; and
- Written comments received by the Banking Commissioner.

Loan Products Reviewed

Examiners determined that the bank’s major product lines are home mortgage and small business loans. This conclusion considered the bank’s business strategy and the number and dollar volume of loans originated during the evaluation period. The bank originated or purchased significantly more home mortgage loans by number and dollar volume than small business loans during this evaluation period; therefore, home mortgage lending performance carried greater weight in assigning the Lending Test rating. Bank records indicated that the lending focus and product mix remained consistent throughout this evaluation period.

The table below shows the total number and dollar amounts for home mortgage and small business loans that the bank originated and purchased during 2016 and 2017.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage (HMDA)	889	406,959	889	406,959
Small Business	259	58,407	259	58,407

Source: HMDA LARs and CRA LARs for 2016 and 2017

Examiners considered all loans reported on the bank’s Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for 2016 and 2017. The LARs contain data about home purchase and home improvement loans, including refinances of one-to-four and multifamily properties. In 2016, the bank originated and/or purchased 511 home loans totaling \$246.2 million. In 2017, the bank originated and/or purchased 378 loans totaling 160.8 million. The bank’s lending performance was compared to 2016 and 2017 aggregate lending data and to demographic information using 2010 U.S. Census data and 2015 American Community Survey data.

Examiners also considered all small business loans reported on the bank’s CRA Loan Registers for 2016 and 2017. The registers contain information on originated commercial real estate and commercial and industrial loans with original balances of \$1 million or less. The bank’s performance was compared to 2016 CRA aggregate data, the most recent year for which aggregate data is available, and to D&B business demographic data. CRA aggregate data includes all small business loans reported in the bank’s assessment area; however, aggregate data excludes activity of many institutions not required to report such information.

Small farm loans and consumer loans are not included within the lending analysis. FCB did not originate any small farm loans during this review period. Examiners did not include consumer loans within this lending analysis. The bank is not required to report such information and has chosen not to do so. These loans are not considered a major product line; therefore, these loans provided no material support for conclusions and ratings.

Examiners reviewed and analyzed community development loans, community development investments, grants, and donations from October 17, 2016 through December 31, 2018. A review of the bank’s community development services included the bank’s activities during January 1, 2017 through December 31, 2018.

DESCRIPTION OF THE INSTITUTION

Background

FCB is a state chartered stock savings bank headquartered in Ridgefield, Connecticut. The bank is wholly owned by Fairfield County Bank, MHC a mutual holding company also incorporated in Connecticut. FCB wholly owns four subsidiaries, Residential Investment LLC (RILLC), a residential real estate joint venture subsidiary, Fairfield County Bank Insurance Services, LLC (FCBIS) an insurance subsidiary, Real Estate Holdings, LLC, a subsidiary that holds foreclosed properties, and Ridgefield Bank Mortgage Corporation, a passive investment company. The FDIC last evaluated FCB's CRA performance on October 17, 2016 using the FFIEC's Interagency Large Institution Examination Procedures. The bank received a "Satisfactory" CRA rating.

Operations

FCB operates 15 full service branches and its main office in the Bridgeport-Stamford-Norwalk, CT MSA. Each office has a 24-hour ATM and 12 offices offer drive-up services. The bank also operates eight ATMs outside the branch network, two of which accepts deposits.

Since the 2016 Evaluation, the bank relocated a full service office and closed a limited branch. On December 18, 2017, the bank relocated the Fairfield branch from 1312 Post Road to 2000 Post Road, Fairfield, Connecticut. The new location is also located in an upper-income census tract approximately .7 miles from the original location. FCB also closed a limited branch located at 100 Redding Road, Redding, CT on June 30, 2017. This branch offered limited hours one day a week to serve the needs of the residents at Meadow Ridge, a retirement community. This office was also located in an upper-income census tract. Services offered at this location were consolidated into the bank's Georgetown office, which is located less than a mile away. No merger or acquisition activities occurred since the prior evaluation.

Ability and Capacity

As of December 31, 2018, FCB had total assets of \$1.5 billion including total loans of \$1.1 billion and securities totaling \$273.4 million. Deposits totaled \$1.2 billion as of the same date. The bank's assets declined 6.9% since the prior evaluation primarily due to loan sales. Total loans decreased 13.82% while total securities increased 78.3%, total deposits decreased 7.2% during the same period. The bank is an active participant in the home mortgage secondary market. Since October 17, 2016, FCB sold 547 home loans totaling \$184.2 million. Selling loans in the secondary market allows the bank to manage interest rate risk while providing additional liquidity to further support the bank's lending activities.

The Call Report shows that commercial real estate loans and commercial and industrial loans continue to represent the majority of the loan portfolio at 58.7%. Home mortgage lending, consisting of one-to-four family and multi-family properties, also represents a significant segment of the portfolio at 30.7%. The following table shows the composition of the loan portfolio as of December 31, 2018.

Distribution of the Loan Portfolio as of 12/31/2018		
Loan Category	\$(000s)	%
Construction and Land Development	110,882	10.1
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	320,753	29.2
Secured by Multifamily (5 or more) Residential Properties	16,519	1.5
Secured by Nonfarm Nonresidential Properties	505,579	46.0
Total Real Estate Loans	953,733	86.8
Loans to Depository Institutions	0	0.0
Loans to finance Agricultural Production and Other Farm Loans	0	0.0
Commercial and Industrial Loans	138,925	12.7
Loans to Individuals	2,305	0.2
Obligations of States and Political Subdivisions in the U.S.	3,342	0.3
Loans to Non Depository Financial Institutions	0	0.0
Other Loans	272	0.0
Lease Financing Receivables	0	0.0
Less Unearned Income	0	0.0
Total Loans and Leases	1,098,577	100.0
<i>Source: Report of Condition and Income December 31, 2018</i>		
<i>Due to rounding, totals may not equal 100.0</i>		

Examiners did not identify any financial or legal impediments that would affect the bank's ability to help meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

Section 36a-30(3)(c) of the Connecticut General Statutes requires each Connecticut bank to, in accordance with the provisions of Federal CRA and without excluding low- and moderate-income neighborhoods, delineate one or more assessment areas in which it intends to focus its lending efforts. The Banking Commissioner uses these areas when evaluating the bank's CRA performance.

FCB delineated one assessment area composed of all cities and towns in Fairfield County. These include the municipalities of Bethel, Bridgeport, Brookfield, Danbury, Darien, Easton, Fairfield, Greenwich, Monroe, New Canaan, New Fairfield, Newtown, Norwalk, Shelton, Sherman, Stamford, Stratford, Redding, Ridgefield, Trumbull, Weston, Westport, and Wilton. Fairfield County is located in the Bridgeport-Stamford-Norwalk, Connecticut Metropolitan Statistical Area (MSA #14860). All of the bank's offices, deposit taking ATMs, and a substantial portion of its lending activities occur within this county. The assessment area as defined does not arbitrarily exclude low- or moderate-income geographies and appears to meet statutory requirements.

The assessment area's census tracts reflected the following income designations according to the 2010 U.S. Census:

- 31 low-income tracts,
- 40 moderate-income tracts;
- 57 middle-income tracts,
- 81 upper-income tracts, and
- 1 tract with no income designation.

Geographies

According to the 2015 American Community Survey (ACS), released in 2017, the assessment area contains 210 census tracts, of which 31 or 14.8% are low-income, 40 or 19.1% are moderate-income, 57 or 27.1% are middle-income, and 81 or 38.6% are upper-income. One census tract has no income designation and is where the Danbury Federal Correctional Institution is located. This reflects a change from the 2010 U.S. Census Data, where 33 (15.9%) census tracts were low-income, 37 (17.9%) were moderate-income, 65 (31.4%) were middle-income, and 72 (34.8%) were upper-income.

A high concentration of the area's low-income tracts and several moderate-income tracts are located in the city of Bridgeport. Bridgeport contains 22 or 71% of the assessment area's low-income tracts. Bridgeport also has 15 or 37.5% of the area's 40 moderate-income census tracts. The remaining low- and moderate-income tracts are geographically dispersed in Bethel (two moderate-income), Danbury (two low-income and five moderate-income), Fairfield (one moderate-income), Norwalk (three low-income and five moderate-income), Shelton (one moderate-income), Stamford (three low-income and seven moderate-income) and, Stratford (one low-income and four moderate-income).

Connecticut offers an Enterprise Zone Tax Credit Program to provide an abatement of real and personal property taxes, and state income tax credits to businesses in return for job creation, and investment in the state's most economically distressed communities. As of the date of this evaluation there were three enterprise zones contained within the assessment area. Designated enterprise zones are located in Bridgeport, Norwalk, and Stamford.

The following table illustrates other select demographic characteristics of the assessment area, based on 2010 U.S. Census data and the 2015 ACS.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	210	14.8	19.0	27.1	38.6	0.5
Population by Geography	939,983	12.6	20.6	29.9	36.8	0.1
Housing Units by Geography	363,556	12.6	21.4	31.7	34.2	0.0
Owner-Occupied Units by Geography	228,381	5.1	16.1	34.6	44.2	0.0
Occupied Rental Units by Geography	105,939	26.5	32.3	26.3	14.9	0.0
Vacant Units by Geography	29,236	21.2	23.8	28.3	26.6	0.0
Businesses by Geography	96,586	9.5	16.3	29.8	44.3	0.0
Farms by Geography	2,622	8.8	16.9	33.8	40.4	0.0
Family Distribution by Income Level	232,921	24.6	15.6	17.8	42.0	0.0
Household Distribution by Income Level	334,320	26.6	14.6	16.1	42.7	0.0
Median Family Income MSA - 14860 Bridgeport-Stamford-Norwalk, CT MSA		\$105,628	Median Housing Value			\$489,561
			Median Gross Rent			\$1,414
			Families Below Poverty Level			6.4%

Source: 2010 U.S. Census & 2015 ACS Census and 2017 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.

Population

According to the 2010 U.S. Census Data, the population of the assessment area is 983,983. Of the total population 12.6% reside in low-income census tracts, 20.6% reside in moderate-income census tracts, 29.9% reside in middle-income census tracts, and 36.8% reside in upper-income census tracts. Just 0.1% of the area's population reside in the tract for which limited demographic information is available.

The area's population includes 232,921 family households (households where one or more occupants are related by birth, marriage, or adoption), of which 24.6% are low-income, 15.6% are moderate-income, 17.8% are middle-income, and 42.0% are upper-income. According to the 2015 ACS U.S. Census data, 6.4% of area families have incomes below the federal poverty levels. The total number of households (family and nonfamily) within the assessment area is 334,320, of which 26.6% are low-income, 14.6% are moderate-income, 16.1% are middle-income, and 42.7% are upper-income. The 2015 ACS U.S. Census data also reports that 9.1% of all area households have incomes below the federal poverty level.

Housing

The 2010 U.S. Census Data shows 363,556 housing units in the assessment area, of which 62.8% are owner-occupied, 29.1% are occupied rentals, and 8.0% are vacant. Approximately 5.1% of the owner-occupied units are located in low-income census tracts and 16.1% are located in moderate-income census tracts within the assessment area.

An analysis of affordability of housing was performed during this evaluation. The affordability ratio is a method used to determine the amount of single-family owner-occupied housing that a dollar of income can purchase, for the median household income based on the median housing value of the area or geography under analysis. Values closer to 1.0 indicate greater affordability. The median household income of the bank's assessment area is \$99,181, and the median housing value is \$581,785, resulting in an affordability ratio of .17. The affordability ratio for Connecticut is .23. These ratios indicate that housing within the assessment area is less affordable than housing within Connecticut as a whole.

The supply of affordable housing within the assessment area remains limited for both homebuyers and renters. According to the 2015 ACS, more than half the area's renters pay more than 30% of their income for rent. This further supports the needs for affordable housing within the assessment area. Both the high cost and the limited supply poses as a challenge for low- and moderate-income individuals and families to find affordable housing. The lack of opportunities for low –and moderate-income residents to purchase a home may impact the bank's lending to these groups.

Business Demographics

According to 2016 Dun & Bradstreet Data, there were 91,306 non-farm businesses in the assessment area. Gross annual revenues (GARs) for these businesses are as follows:

- 87.1% have \$1 million or less
- 5.9% have more than \$1 million
- 7.0% have unknown revenues

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses GAR level, with an emphasis on businesses with gross annual revenues of \$1.0 million or less. Business Demographics show that the majority of businesses in the assessment area are small businesses with four or fewer employees. Specifically, 78.0% have four or fewer employees, 91.7% operate from a single location. Service industries represent the largest portion of businesses at 50.5%; followed by finance, insurance, and real estate at 10.6%, retail trade at 10.4% and construction at 10.0%.

Median Family Income Levels

The Federal Financial Institutions Examination Council (FFIEC) updated median family income levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table shows low-, moderate-, middle-, and upper-income ranges for the Bridgeport-Stamford-Norwalk, CT MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Bridgeport-Stamford-Norwalk, CT MSA Median Family Income (14860)				
2016 (\$104,400)	<\$52,200	\$52,200 to <\$83,520	\$83,520 to <\$125,280	≥\$125,280
2017 (\$108,300)	<\$54,150	\$54,150 to <\$86,640	\$86,640 to <\$129,960	≥\$129,960
<i>Source: FFIEC</i>				
<i>Due to rounding, totals may not equal 100.0</i>				

Economic Data

The following table shows unemployment statics for the assessment area during this review period. The table also includes unemployment rates for Connecticut and the U.S. for comparison purposes.

Unemployment Statistics				
Geography	2016	2017	July 2018	
Fairfield County	4.9	4.5	4.7	
State of Connecticut	5.1	4.7	4.5	
United States	4.9	4.4	4.1	

According to the Bureau of Labor Statistics, the 2017 annual average unemployment rate was 4.5% in Fairfield County and 4.7% in the Bridgeport-Stamford-Norwalk, CT MSA. These rates are below the 4.9% and 5.0% reported in 2016. Fairfield County's 2017 annual unemployment rate was also below the 4.7% for Connecticut and only slightly higher than the 4.4% national rate. Unemployment rates in the assessment area have generally declined since the previous evaluation.

Competition

The assessment area is highly competitive for financial services. According to the FDIC Deposit Market Share Data as of June 30, 2017, there were 29 institutions operating 360 branches within the assessment area. FCB ranked 8th with a 2.6% deposit market share. The banks with the largest deposit market share were People's United Bank, National Association, Bank of America, National Association, Citibank, National Association, JP Morgan Chase Bank, National Association, and Wells Fargo Bank, National Association. These five banks dominated the deposit market with a combined 71.0% market share. However, FCB ranked 1st out of nine Connecticut chartered banks headquartered in Fairfield County. Three of these banks, Union Savings Bank, Bankwell Bank, and First County Bank are larger than FCB. There are also two other Connecticut chartered banks with a limited presence in the area.

There is a high level of competition for home mortgage loans in the assessment area. In 2016, 441 lenders reported 25,483 home mortgage originations or purchases in the assessment area. Of these institutions, FCB ranked 10th with a market share of 1.8% by number of loans. Wells Fargo Bank, National Association, JP Morgan Chase Bank, National Association, and People's

United Bank, National Association, were the top three lenders and accounted for a combined 21.6% market share. Similarly situated institutions, including First County Bank was ranked 16th, Union Savings Bank ranked 23rd, and Bankwell Bank ranked 85th. Newtown Savings Bank ranked 8th with 606 home loans, and Savings Bank of Danbury ranked 15th, with 370 home loans.

Similarly, there is significant competition for small business loans among several banks and credit card companies. In 2016, 124 lenders originated or purchased 32,329 small business loans in the assessment area. FCB, ranked 22nd with a 0.3% market share. The top three small business lenders were American Express, Federal Savings Bank, Citibank, National Association, and Bank of America, National Association. These lenders accounted for a combined market share of 58.3%, Fairfield County Bank, Bankwell Bank, and Union Savings Bank, ranked 19th, 24th, and 30th with market shares of 0.3%, 0.2% and 0.2% respectively.

Credit and Community Development Needs and Opportunities

Based on information from bank management, and area demographics, examiners identified various community development needs. Community development needs include affordable housing, investment in loan pools that provide funding for affordable housing, and financial literacy. The relatively high percentage of low- and moderate-income families residing in the assessment area, including those living in poverty, supports these conclusions.

Opportunities exist for community development activities, as several non-profit organizations that facilitate community development programs operate in the assessment area. The state of Connecticut and local communities also sponsor various affordable housing, economic development, and revitalization and stabilization programs. The assessment area contains three areas defined as enterprise zones. These defined areas offer local and state incentives to attract, retain, and expand businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FCB's overall Lending Test performance is Satisfactory. The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area by considering home mortgage, small business, and community development lending. The following section addresses the bank's performance throughout the assessment area under each criterion.

Lending Activity

FCB's lending levels, particularly given the strong competition, reflects excellent responsiveness to assessment area credit needs.

Home Mortgage Loans

FCB originated 455 loans totaling \$213.8 million in 2016 and 334 loans totaling \$145.2 million in 2017. In 2016, FCB ranked tenth with a 1.8% market share out of 441 HMDA lenders. The top lenders in the assessment area were generally large national and regional banks and mortgage companies. FCB ranked twelfth out of 422 HMDA lenders in 2017. The bank ranked second among all local banks in each year. Newtown Savings Bank was the only local lender ranked ahead of FCB. Newtown Savings Bank ranked eighth and ninth in each of the two years.

Small Business Loans

The bank originated 129 loans totaling \$32.3 million in 2016 and 113 loans totaling \$21.7 million in 2017. In 2016, FCB ranked nineteenth out of 124 small business loan reporters with a 0.4% market share by number and 3.46% market share by dollar volume. The top lenders were primarily national banks and credit card companies. The top three lenders included American

Express, FSB, Citibank, N.A. and Bank of America, N.A. Taken together, these lenders accounted for 58.3% of the market by number of loans and 33.1% by dollar volume.

Assessment Area Concentration

FCB originated a substantial majority of its home mortgage and small business loans, by number and dollar volume, within the assessment area. The bank originated 89.8% by number and 88.8% by dollar volume of its combined home mortgage and small business loans within the assessment area.

The following table shows the bank’s lending inside and outside of the assessment area for each loan type. The portion of lending activity in the assessment area, by both number of loans and dollar volume, remained consistently high during this evaluation period. However, the number of loans and dollars extended decreased significantly during the review period. The decrease in volume appears consistent with the broader market and lower demand due to rising interest rates.

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										
2016	455	89.0	56	11.0	511	213,774	86.8	32,415	13.2	246,189
2017	334	88.4	44	11.6	378	145,242	90.3	15,528	9.7	160,770
Subtotal	789	88.8	100	11.2	889	359,016	88.2	47,943	11.8	406,959
Small Business										
2016	129	92.1	11	7.9	140	32,347	92.3	2,699	7.7	35,046
2017	113	95.0	6	5.0	119	21,740	93.1	1,621	6.9	23,361
Subtotal	242	93.4	17	6.6	259	54,087	92.6	4,320	7.4	58,407
Total	1,031	89.8	117	10.2	1,148	413,103	88.8	52,263	11.2	465,366
<i>Source: Evaluation Period: 1/1/2016 - 12/31/2017 Bank Data Due to rounding, totals may not equal 100.0</i>										

Geographic Distribution of Credit

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The bank’s adequate home mortgage lending performance and excellent small business lending performance supports this conclusion. Emphasis was placed on the percentage by number of loans in low- and moderate-income census tracts. Home mortgage lending activities received greater weight due to higher volume of originations compared to small business lending during this evaluation period.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an adequate penetration throughout the assessment area. The performance of home mortgage and small business lending support this conclusion. The following table reflects the geographic distribution of home mortgage loans.