



# Community Reinvestment Act

Public File 2026

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TAB 2

FDIC's CRA Evaluation Public Disclosure Report dated September 30, 2025

# **PUBLIC DISCLOSURE**

September 30, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Artisans' Bank  
Certificate Number: 17123

2961 Centerville Rd  
Wilmington, Delaware 19808

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
New York Regional Office

350 Fifth Avenue, Suite 1200  
New York, NY 10118

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.

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## 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 Lending Test is rated Satisfactory.**

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of loans and other lending related activities are in the institution's assessment areas.
- The geographic distribution reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

- The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

## DESCRIPTION OF INSTITUTION

### **Background**

Artisans' Bank (Artisans') is a mutually owned community financial institution headquartered in Wilmington, Delaware (DE). The institution received a "Satisfactory" rating at its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated August 15, 2022, based on Interagency Intermediate Small Institution Examination Procedures.

### **Operations**

Artisans' operates 12 full-service branch offices serving the entire state of DE, with eight located in New Castle County, two in Sussex County, and two in Kent County. The bank did not open or close any branches since the previous evaluation. Of the 12 branches, Artisans' operates three in moderate-income census tracts, four in middle-income census tracts, four in upper-income census tracts, and one in a census tract with no income designation. The bank maintains automated teller

machines (ATMs) at every branch location. No merger or acquisition activity occurred during the evaluation period.

Artisans’ offers a variety of consumer and commercial loan and deposit products and retail banking services. Consumer loan products include home mortgage loans, home equity loans and lines of credit, and personal loans, while commercial loan products include installment loans and lines of credit. Deposit products include consumer checking, savings, certificates of deposit (CDs), and money market accounts, along with commercial checking and savings accounts. The institution also offers low-cost checking and savings accounts programs targeted for unbanked and underbanked communities. Additionally, the institution offers non-deposit investment products and services through a third-party relationship and maintains two small dollar loan programs focused on assisting low- and moderate-income individuals. Alternative banking services include peer-to-peer (P2P) transactions, mobile banking, mobile deposit, electronic bill pay, and telephone (“Touch Tone”) banking.

**Ability and Capacity**

Bank assets totaled approximately \$695.6 million as of June 30, 2025, which included total loans of \$509.7 million and total securities of \$121.4 million. Bank deposits totaled \$624.9 million. Since the prior evaluation, total assets, loans, and deposits increased by 3.8 percent, 13.9 percent, and 3.8 percent, respectively. The following table illustrates the loan portfolio as of June 30, 2025.

<b>Loan Portfolio Distribution as of June 30, 2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	65,716	12.9
Secured by Farmland	2,588	0.5
Secured by 1-4 Family Residential Properties	164,106	32.2
Secured by Multifamily (5 or more) Residential Properties	24,228	4.7
Secured by Nonfarm Nonresidential Properties	218,948	43.0
<b>Total Real Estate Loans</b>	<b>475,586</b>	<b>93.3</b>
Commercial and Industrial Loans	33,557	6.6
Agricultural Production and Other Loans to Farmers	117	0.0
Consumer Loans	432	0.1
Other Loans	21	0.0
<b>Total Loans</b>	<b>509,713</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Artisans’ loan portfolio remained consistent since the prior evaluation. The bank continues to focus on nonresidential and residential real estate lending, which account for 43.0 and 32.2 percent of the loan portfolio, respectively.

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs.

## DESCRIPTION OF ASSESSMENT AREAS

The Community Reinvestment Act (CRA) requires each financial institution to define one or more assessment areas within which its supervisory agency will evaluate its CRA performance. Artisans' did not change its assessments area since the prior evaluation. The institution designates the following three assessment areas comprising the state of DE:

- **Wilmington, DE-Maryland (MD)-New Jersey (NJ) Metropolitan Division (MD):** This assessment area includes all census tracts in New Castle County. New Castle County is in the Wilmington, DE-MD-NJ Metropolitan Division (MD) #48864, which is part of the Philadelphia-Camden-Wilmington, Pennsylvania (PA)-NJ-DE-MD Metropolitan Statistical Area (MSA) #37980.
- **DE Non-MSA:** This area includes all census tracts in Sussex County. During the review period, a bulletin published by the Office of Management and Budget (OMB) updated census boundaries. The update removed Sussex County from the Salisbury, MD-DE MSA #41540 and created the Seaford, DE Micropolitan Statistical Area #42580, adding Sussex County to the DE Non-MSA.
- **Dover, DE MSA:** This area includes all census tracts in Kent County. Kent County is in the Dover, DE MSA #20100.

Collectively, examiners refer to these assessment areas as the combined assessment area. Refer to the separate assessment area sections for details on demographic and economic data and activities in each area.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated August 15, 2022, to the current evaluation dated September 30, 2025. Examiners used the FFIEC Interagency Intermediate Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include the Lending Test and Community Development Test. Refer to the Appendices for a complete description of these tests.

Examiners used full-scope procedures to evaluate the bank's performance in the Wilmington, DE-MD-NJ MD assessment area and limited-scope procedures for the DE Non-MSA and Dover, DE MSA assessment areas. When considering the bank's concentration of loans, deposits, and branch offices, examiners applied the most weight to the Wilmington, DE-MD-NJ MD assessment area, followed by the DE non-MSA assessment area in arriving at overall ratings. The following table details the distribution of the bank's loans, deposits, and branches in each assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Wilmington MD	79,754	60.7	429,566	68.7	8	66.6
DE Statewide Non-MSA	41,888	31.9	121,020	19.4	2	16.7
Dover MSA	9,799	7.4	74,324	11.9	2	16.7
<b>Total</b>	<b>131,441</b>	<b>100.0</b>	<b>624,910</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>

*Source: Bank Data; FDIC Summary of Deposits (06/30/2025)*

### **Activities Reviewed**

Examiners determined Artisans’ major product lines are home mortgage and small business loans. This conclusion considered the bank’s business strategy, as well as the number and dollar volume of loans originated during the evaluation period. The volume of home mortgage loans exceeded that of small business loans during the review period. Therefore, examiners gave more weight to home mortgage lending in the overall conclusions.

The bank’s small farm lending activity was minimal with only two originations totaling \$480,000 during the review period. For this reason, examiners did not include small farm loans within the geographic distribution or borrower profile analysis. No other loan types, such as consumer or other real estate secured loans, represent a major product line. Therefore, examiners did not include these loan types in the evaluation. Additionally, while this evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the individuals or businesses served.

Examiners reviewed home mortgage loans reported on the bank’s 2022, 2023, and 2024 HMDA loan application registers. Artisans’ originated 170 loans totaling \$41.4 million in 2022, 134 loans totaling \$30.2 million in 2023, and 95 loans totaling \$26.3 million in 2024. Examiners compared the bank’s home mortgage lending to the 2020 Census data, as well as the 2022, 2023, and 2024 aggregate HMDA data.

Examiners also reviewed all small business loans reported on the bank’s 2022, 2023, and 2024 CRA loan registers. Artisans’ originated 93 loans totaling \$21.8 million in 2022, 61 loans totaling \$13.3 million in 2023, and 58 loans totaling \$16.9 million in 2024. Although Artisans’ is not required to collect or report its small business loan data due to its asset size, the bank has elected to do so. Examiners compared the bank’s record of small business lending to D&B demographic data for 2022, 2023, and 2024, as well as the aggregate small business loan data for 2022 and 2023.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the prior evaluation dated August 15, 2022. Tables present the bank’s community development activities for each year in the evaluation period.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Artisans' demonstrated Satisfactory performance under the Lending Test. Reasonable performance in the Geographic Distribution and Borrower Profile criteria primarily support this rating. The bank's overall performance was consistent across all assessment areas.

This section presents the institution's overall performance under the Lending Test. Separate presentations for the individual assessment areas are included in the subsequent sections.

#### Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. Artisans' LTD ratio, calculated from Call Report data, averaged 78.9 percent over the past 12 calendar quarters, from September 30, 2022, to June 30, 2025. The LTD ratio fluctuated during the evaluation period, ranging from a low of 74.6 percent as of September 30, 2022, to a high of 82.3 percent as of September 30, 2024.

The following table compares the bank's LTD ratio to similarly situated institutions, which examiners selected based on lending focus, geographic location, and asset size. This further supports the bank's reasonable performance.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 06/30/2025 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Artisans' Bank</b>	<b>695,616</b>	<b>78.9</b>
County Bank	638,465	79.7
First Citizens Community Bank	2,962,570	95.4
<i>Source: Reports of Condition and Income 09/30/2022 - 06/30/2025</i>		

#### Assessment Area Concentration

A substantial majority of loans and other lending related activities are in the institution's assessment areas. The following table presents the number and dollar volume of home mortgage, small business, and small farm loans made inside and outside the combined assessment area. As shown, the number and dollar volume of loans originated declined during the review period.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	157	92.4	13	7.6	170	38,005	91.9	3,360	8.1	41,365
2023	122	91.0	12	9.0	134	27,451	91.0	2,719	9.0	30,170
2024	86	90.5	9	9.5	95	22,073	83.8	4,272	16.2	26,345
<b>Subtotal</b>	<b>365</b>	<b>91.5</b>	<b>34</b>	<b>8.5</b>	<b>399</b>	<b>87,529</b>	<b>89.4</b>	<b>10,351</b>	<b>10.6</b>	<b>97,880</b>
Small Business										
2022	78	83.9	15	16.1	93	19,036	87.2	2,785	12.8	21,821
2023	58	95.1	3	4.9	61	12,272	92.4	1,006	7.6	13,278
2024	48	82.8	10	17.2	58	12,124	71.6	4,809	28.4	16,933
<b>Subtotal</b>	<b>184</b>	<b>86.8</b>	<b>28</b>	<b>13.2</b>	<b>212</b>	<b>43,432</b>	<b>83.5</b>	<b>8,600</b>	<b>16.5</b>	<b>52,032</b>
Small Farm										
2022	1	100.0	0	0.0	1	157	100.0	0	0.0	157
2023	0	0.0	0	0.0	0	0	0.0	0	0.0	0
2024	1	100.0	0	0.0	1	323	100.0	0	0.0	323
<b>Subtotal</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>480</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>480</b>
<b>Total</b>	<b>551</b>	<b>89.9</b>	<b>62</b>	<b>10.1</b>	<b>613</b>	<b>131,441</b>	<b>87.4</b>	<b>18,951</b>	<b>12.6</b>	<b>150,392</b>

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

### **Geographic Distribution**

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment areas. Examiners focused on the number of loans in low- and moderate-income census tracts. Artisans' performance in the Wilmington, DE-MD-NJ MD assessment area contributed the most weight in forming the overall conclusions. However, performance was consistent in each assessment area. See separate presentations for the individual assessment areas in subsequent sections.

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Examiners focused on the number of loans made to low- and moderate-income borrowers and small businesses with gross annual revenues (GARs) of \$1.0 million or less. Artisans' performance in the Wilmington, DE-MD-NJ MD assessment area contributed the most weight in forming the overall conclusions. However, performance was consistent in each assessment area. See separate presentations for the individual assessment areas in subsequent sections.

### ***Small Dollar Loan Programs***

Although small dollar loans are not included in the Lending Test analysis, Artisans' offers the following small dollar loan programs that benefit low- or moderate-income borrowers.

- **The Society of St. Vincent de Paul** – a small dollar loan program in cooperation with the Society of St. Vincent de Paul, a charitable organization affiliated with the Catholic Diocese of Wilmington. This is a low-interest, no fee, micro-loan program secured by a deposit account for the low-income clientele of St. Vincent de Paul. The purpose of this small dollar loan program is to provide funds for temporary hardships as an alternative to payday or title loans. Borrowers can apply for loan amounts ranging from \$300 to \$2,000. During the evaluation period, Artisans' originated 14 of these small dollar loans.
- **Credit Builders Consumer Loan Program** – an in-house small dollar loan program offered to individuals on a referral basis. This is a low-interest, no fee loan attached to a deposit savings account. The loan's purpose is to assist in accruing the savings necessary for a home purchase down payment and strengthen borrowers' credit scores while doing so. Referrals come from local homeownership and community service organizations. As the borrower repays the loan, loan payments are deposited into the attached savings account. At the end of the loan term, the borrower receives the original loan principal plus interest accrued on their deposit account. During the evaluation period, Artisans' originated nine of these small dollar loans.

### **Response to Complaints**

Artisans' did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the Lending Test rating.

### **COMMUNITY DEVELOPMENT TEST**

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

### **Community Development Loans**

Artisans' made 15 community development loans totaling approximately \$10.7 million during the evaluation period. This level of activity represents 2.2 percent of average total loans, which is an increase since the prior evaluation period, at which community development loans totaled 1.3 percent of average total loans. Both the number and dollar volume of community development loans increased during the evaluation period. At the prior evaluation, Artisans' had six community development loans totaling \$5.2 million. The following tables show Artisans' community development loan activity by purpose and assessment area. For additional details on community development loans, refer to the individual assessment areas.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Statewide Area	0	0	0	0	1	250	0	0	1	250
Wilmington, DE-MD-NJ MD	3	2,341	2	250	0	0	4	2,900	9	5,491
DE Statewide Non-MSA	0	0	0	0	2	2,200	0	0	2	2,200
Dover, DE MSA	1	500	0	0	2	2,268	0	0	3	2,768
<b>Total</b>	<b>4</b>	<b>2,841</b>	<b>2</b>	<b>250</b>	<b>5</b>	<b>4,718</b>	<b>4</b>	<b>2,900</b>	<b>15</b>	<b>10,709</b>

*Source: Bank Data*

In addition to the community development loans that benefitted the individual assessment areas, Artisans’ made one community development loan that benefitted the combined assessment area, as discussed below.

- In 2025, the bank renewed a \$250,000 working capital line of credit to a non-profit community development financial institution (CDFI) that supports small businesses and community development initiatives throughout the state of DE. Loan proceeds were used to provide loan capital for DE-based small businesses. Specifically, the funds support the CDFI’s lending programs, including the Micro Loan Fund, Business Growth Fund, and Community Development Loan Fund.

### **Qualified Investments**

Artisans’ made 160 investments totaling \$10.6 million during the evaluation period. This volume includes two new qualified investments totaling \$2.2 million, 13 prior period investments outstanding at \$8.2 million, and 145 donations totaling \$194,088. Qualified investments represent 1.6 percent of average total assets and 8.1 percent of average total securities since the prior evaluation. Artisans’ qualified investment activity increased by number but decreased by dollar volume since the prior evaluation. At the prior evaluation, Artisans’ had 139 investments totaling \$11.9 million, which represented 1.9 percent of average total assets. This level of investment is consistent with the bank’s metric at the current evaluation. The following tables illustrate the bank’s qualified investment activity by purpose and assessment area. For additional details on qualified investments, refer to the individual assessment areas.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Statewide Area	14	1,925	34	53	11	20	0	0	59	1,998
Wilmington, DE-MD-NJ MD	19	7,653	48	63	5	8	4	3	76	7,727
DE Statewide Non-MSA	2	853	9	9	0	0	1	1	12	863
Dover, DE MSA	3	5	8	8	2	2	0	0	13	15
<b>Total</b>	<b>38</b>	<b>10,436</b>	<b>99</b>	<b>133</b>	<b>18</b>	<b>30</b>	<b>5</b>	<b>4</b>	<b>160</b>	<b>10,603</b>
<i>Source: Bank Data</i>										

In addition to the qualified investments attributed to individual assessment areas, Artisans’ made 59 qualified investments and donations totaling approximately \$2.0 million that benefitted all three assessment areas. This volume includes one new qualified investment totaling \$1.0 million, three prior period investments totaling \$886,629, and 55 donations totaling \$81,615. The following are notable examples of qualified investments and donations that benefit the combined assessment area:

- In 2025, the bank purchased a \$1.0 million tax exempt mortgage revenue bond from the DE State Housing Authority (DSHA). The bond supports affordable housing programs for low-income families that are first time homebuyers across the state.
- During the review period, the bank made four donations totaling \$9,500 to a CDFI that supports small business and community development projects and provides loans and technical assistance to low-income borrowers and businesses located in low-income communities. This donation supports economic development across the combined assessment area.
- During the review period, the bank made three donations totaling \$3,025 to a community action agency supporting multiple programs, including emergency food programs, domestic violence services, housing counseling, and workforce development. This donation supports community services to low- and moderate-income individuals throughout the combined assessment area.

### **Community Development Services**

During the evaluation period, Artisans’ directors, managers, and employees provided 122 instances totaling 1,532 hours of community development services throughout the combined assessment area. The bank’s performance, by both instances and hours, increased since the prior evaluation, where the bank reported 57 instances of community development services totaling 756 hours. The following table shows Artisans’ community development services during the evaluation period by purpose and assessment area. For additional details on community development services, refer to the individual assessment areas.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Statewide Area	7	43	15	0	<b>65</b>
Wilmington, DE-MD-NJ MD	5	7	12	19	<b>43</b>
DE Statewide Non-MSA	0	10	0	0	<b>10</b>
Dover, DE MSA	4	0	0	0	<b>4</b>
<b>Total</b>	<b>16</b>	<b>60</b>	<b>27</b>	<b>19</b>	<b>122</b>
<i>Source: Bank Data</i>					

In addition to the community development services attributed to individual assessment areas, Artisans’ staff provided 65 instances totaling 949 hours of financial expertise or technical assistance to organizations that benefitted all three assessment areas. The following are notable examples of community development services that benefit the combined assessment area:

- An Artisans’ board member serves on a committee for a non-profit association of DE business leaders. The committee focuses on improving public transportation issues across the state by getting involved in local government. The committee’s primary mission is to improve public transportation to sustain economic development, which includes making employment opportunities more accessible to low- and moderate-income individuals.
- The bank President serves on DE’s Council on Banking. This council is responsible for administering an annual \$2.5 million budget set aside to improve banking access to low- and moderate-income communities throughout the State. The majority of projects and organizations that received funding from this budget had a primary purpose of affordable housing or economic development.
- An Artisans’ commercial relationship manager serves on a committee of a CDFI that revitalizes communities in DE by investing in multi-family affordable housing and related activities to address the needs of low- and moderate-income individuals in the combined assessment area. The committee specifically manages the funds for different affordable housing projects.

Artisans’ also provided the following community development services and programs during the evaluation period:

- FHLB Bank Pittsburgh – Affordable Housing Program: Artisans' supports the FHLB Pittsburgh's Affordable Housing Programs (AHP) by participating as the member bank on selected AHP applications. During the evaluation period, Artisans’ supported three approved applications for \$2.5 million towards affordable housing projects in New Castle County.
- FHLB Pittsburgh - Home4Good Initiative (H4G): Artisans’ participates in a program that helps those who are homeless or at risk of homelessness by channeling dollars to local service organizations specializing in this type of assistance. Artisans' supports the FHLB

Pittsburgh's H4G initiative by participating as the member bank on select H4G applications. During the evaluation period, Artisans' sponsored 30 applications, resulting in \$2.6 million in funding for non-profit organizations that provide community services targeted to low- and moderate-income communities within New Castle and Sussex Counties.

- IOLTA Accounts: Artisans' participates in the DE Interest on Lawyers' Trust Account (IOLTA) program established by the Supreme Court of DE. This fund is supported by interest that accrues on aggregated escrow and trust accounts (for comingled client deposits) maintained by participating attorneys. The interest paid on the IOLTA accounts is sent to the DE Bar Foundation and distributed to non-profit agencies that provide legal services for those in need. The Bank has agreed to pay a minimum of 65 basis points over its Fed Funds target rate to support the IOLTA program. One new account was opened during the evaluation period.
- Teach Children to Save: Artisans' participates in this annual DE Banker's Association financial literacy initiative. Employees volunteer to teach a savings curriculum to elementary- and middle school-aged children. Teach Children to Save Day is part of a nationwide financial literacy effort that works to educate elementary school students throughout DE, targeting those from low- and moderate-income communities, on the importance of saving as the basis for future financial security. Bank employees contribute approximately 10 hours towards this program annually.
- DE Bank at School: Artisan branch employees participate in this statewide financial literacy program, contributing up to 50 hours per school. The program is managed by the University of Delaware Center for Economic Education and Entrepreneurship. Employees volunteer on a rotating weekly basis to teach elementary and middle-school students about financial management and provide real life banking experience as students can open free savings accounts and make weekly deposits on school premises. During the evaluation period, Artisans' supported this program at two schools with students from low- and moderate-income communities in Kent and New Castle Counties.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## WILMINGTON, DE-MD-NJ MD – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN WILMINGTON, DE-MD-NJ MD

The Wilmington, DE-MD-NJ MD #48864 assessment area includes all 145 census tracts in New Castle County. Wilmington, DE-MD-NJ MD #48864 is part of the larger Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA #37980. Artisans’ operations in the assessment area represent 60.7 percent of total in-assessment area lending (by dollar amount), 68.7 percent of total deposits, and 66.6 percent of total branches.

#### **Economic and Demographic Data**

There are 145 census tracts within this assessment area. These tracts reflected the following income designations according to the 2020 U.S. Census data:

- 11 low-income;
- 31 moderate-income;
- 61 middle-income;
- 37 upper-income; and
- 5 with no income designation.

The following table shows the demographic information for the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>N/A* % of #</b>
Geographies (Census Tracts)	145	7.6	21.4	42.1	25.5	3.5
Population by Geography	570,719	5.1	22.3	42.9	28.4	1.3
Housing Units by Geography	224,242	5.6	23.5	42.4	26.7	1.8
Owner-Occupied Units by Geography	142,188	2.3	20.4	43.3	33.3	0.7
Occupied Rental Units by Geography	67,243	11.1	29.1	41.5	14.8	3.5
Vacant Units by Geography	14,811	12.1	26.9	37.8	18.2	5.0
Businesses by Geography	56,071	4.7	23.5	35.2	24.4	12.3
Farms by Geography	287	1.1	20.2	36.2	34.5	8.0
Family Distribution by Income Level	133,007	20.6	17.4	21.0	41.0	0.0
Household Distribution by Income Level	209,431	24.6	15.4	18.2	41.9	0.0
Median Family Income MD – 48864 Wilmington, DE-MD-NJ		\$93,347	Median Housing Value			\$266,454
			Median Gross Rent			\$1,186
			Families Below Poverty Level			6.8%
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

There are 224,242 housing units in the assessment area. Of these, 63.4 percent are owner-occupied, 30.0 percent are rental occupied, and 6.6 percent are vacant. The geographic distribution criterion

compares home mortgage loans to the distribution of owner-occupied housing units. As reflected in the table above, 2.3 percent of the total owner-occupied housing units are located in low-income census tracts and 20.4 percent are located within moderate-income census tracts. Furthermore, the total number of owner-occupied units has increased since the 2015 ACS data. This data reflects the opportunities lenders have to originate home mortgage loans within these geographies.

Examiners used 2022, 2023, and 2024 FFIEC-updated median family income (MFI) data to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the income categories for the Wilmington, DE-MD-NJ MD assessment area for 2022, 2023, and 2024.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Wilmington, DE-MD-NJ MD Median Family Income (48864)</b>				
2022 (\$103,900)	<\$51,950	\$51,950 To <\$83,120	\$83,120 To <\$124,680	≥\$124,680
2023 (\$105,700)	<\$52,850	\$52,850 To <\$84,560	\$84,560 To <\$126,840	≥\$126,840
2024 (\$111,300)	<\$55,650	\$55,650 To <\$89,040	\$89,040 To <\$133,560	≥\$133,560
<i>Source: FFIEC</i>				

The Geographic Distribution criterion for small business lending compares small business loans to the distribution of businesses within the assessment area, while the Borrower Profile criterion considers the gross annual revenues (GARs) of these businesses. According to the 2024 D&B data, there were 56,358 businesses in the assessment area. These businesses have the following GAR characteristics:

- 86.5 percent have GARs of \$1.0 million or less;
- 4.7 percent have GARs of over \$1.0 million; and
- 8.8 percent have unreported GARs.

Professional, scientific, and technical services represent the largest share of total businesses in the assessment area at 18.5 percent; followed by non-classifiable establishments (9.8 percent); retail trade (8.5 percent); and other services (except Public Administration) (8.4 percent). Most businesses have four or fewer employees (75.3 percent) and operate at a single location (89.4 percent). This information reflects the potential demand for, and the opportunity to originate, small business loans in the assessment area.

According to Moody’s Analytics, the top five employers in the Wilmington, DE-MD-NJ MD are JP Morgan Chase & Co, Christiana Care Health System, Amazon, Dover Air Force Base, and Bank of America Corporation.

The following table summarizes the average annual unemployment rate from the Bureau of Labor Statistics at the county, statewide, and national level during the evaluation period.

Unemployment Rates				
Area	2022	2023	2024	YTD 2025
	%	%	%	%
New Castle County, DE	3.3	3.2	3.0	4.8
DE Statewide	3.5	3.4	3.1	4.7
National Average	3.5	3.8	4.1	4.3
<i>Source: Bureau of Labor Statistics</i>				

## **Competition**

There is a highly competitive market for financial services in the Wilmington, DE-MD-NJ MD assessment area. A majority of the institutions operating within this assessment area are national banks. According to the FDIC Summary of Deposits as of June 30, 2025, 36 FDIC-insured institutions operated 247 branches in New Castle County. Of these institutions, Artisans’ ranked 14<sup>th</sup> with a 0.1 percent market share by total deposits. The top two institutions by deposit market share were Capital One, National Association (NA) (62.6 percent) and TD Bank, NA (15.4 percent).

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders serving the assessment area. Based on 2024 peer mortgage data, 371 lenders originated or purchased 14,489 home mortgage loans in the assessment area. Of these lenders, Artisans’ ranked 52<sup>nd</sup> by number of originations or purchases capturing 0.4 percent of the total market share. The most prominent mortgage lenders in the assessment area included Lakeview Loan Servicing, LLC; Wilmington Savings Fund Society, FSB; and Rocket Mortgage, LLC.

There is a high level of competition for small business loans among lenders in the assessment area. Based on 2023 peer small business data, 140 lenders originated or purchased 17,310 small business loans. Of these lenders, Artisans’ ranked 39<sup>th</sup> by number of originations and purchases, capturing 0.2 percent of the total market share. The top three small business lenders in the assessment area included American Express National Bank (31.1 percent), JPMorgan Chase Bank, NA (16.8 percent), and Capital One, N.A. (7.1 percent).

## **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs of the community. This information helps examiners determine whether local financial institutions are responsive to those needs.

For this evaluation, examiners contacted a representative of a CDFI, which performs pre-development acquisition and construction lending for affordable housing projects serving low- and moderate-income individuals throughout the state. The contact addressed affordable housing as a credit need and opportunity in all three of the bank’s assessment areas, highlighting limited availability and increased home prices as primary factors contributing to this demand. The contact specifically identified New Castle and Kent Counties as areas with greater affordable housing opportunity than Sussex County due to the tourism and service industry dominating east Sussex County. The contact indicated that there are multiple opportunities for banks to participate in

affordable housing loans and to capitalize construction projects undertaken by the CDFI, but overall, local financial institutions have been responsive to credit and community development needs in the combined assessment area.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing loans represent the primary credit and community development needs in the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN WILMINGTON, DE-MD-NJ MD**

### **LENDING TEST**

Artisans' demonstrated reasonable performance under the Lending Test within the Wilmington, DE-MD-NJ MD assessment area. The bank's performance under the Geographic Distribution and Borrower Profile criteria support this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Examiners focused on the number of loans in low- and moderate-income census tracts. Examiners also considered the demographics of the assessment area in formulating these conclusions.

### ***Home Mortgage Loans***

As shown in the following table, the geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank's performance in low-income census tracts exceeded aggregate and demographic data in 2022 and 2023. The bank's performance in moderate-income census tracts trailed aggregate and demographic data during the review period. However, performance by percentage of loans increased during the review period, only slightly trailing aggregate and demographic data in 2024.

Market share data further supports the bank's reasonable performance. In 2024, Artisans' ranked 53<sup>rd</sup> out of 220 lenders in moderate-income census tracts, capturing a 0.3 percent market share. This market share ranking is slightly below the bank's overall ranking of 52<sup>nd</sup> in the assessment area.

<b>Geographic Distribution of Home Mortgage Loans Wilmington, DE-MD-NJ MD Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner- Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	2.3	3.2	5	4.8	2,315	9.4
2023	2.3	3.9	5	6.3	1,414	10.0
2024	2.3	3.8	1	1.8	154	1.0
<b>Moderate</b>						
2022	20.4	21.3	16	15.4	2,287	9.2
2023	20.4	21.9	13	16.3	1,319	9.3
2024	20.4	22.8	10	18.2	3,372	21.4
<b>Middle</b>						
2022	43.3	39.2	38	36.5	7,238	29.2
2023	43.3	38.5	28	35.0	3,599	25.5
2024	43.3	38.7	26	47.3	7,453	47.3
<b>Upper</b>						
2022	33.3	35.1	43	41.4	12,748	51.5
2023	33.3	34.4	34	42.5	7,787	55.2
2024	33.3	33.5	17	30.9	4,384	27.8
<b>NA</b>						
2022	0.7	1.2	2	1.9	170	0.7
2023	0.7	1.3	0	0.0	0	0.0
2024	0.7	1.3	1	1.8	400	2.5
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>104</b>	<b>100.0</b>	<b>24,758</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>80</b>	<b>100.0</b>	<b>14,119</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>15,763</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data, 2022, 2023, &amp; 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

As shown in the following table, the geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The bank’s performance in low-income tracts exceeded demographic and aggregate data in 2022 and 2023. The bank’s performance in moderate-income tracts exceeded demographic data each year during the review period, exceeded aggregate data in 2022, and was consistent with aggregate data in 2023.

<b>Geographic Distribution of Small Business Loans Wilmington, DE-MD-NJ MD Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2022	4.3	3.3	3	6.1	720	6.7
2023	4.5	3.9	5	17.9	1,324	19.9
2024	4.7	--	0	0.0	0	0.0
Moderate						
2022	23.8	26.3	14	28.6	3,479	32.4
2023	23.6	25.1	7	25.0	2,236	33.6
2024	23.5	--	7	26.9	3,673	47.7
Middle						
2022	35.8	35.5	11	22.5	2,793	26.0
2023	35.4	35.9	8	28.6	793	11.9
2024	35.2	--	13	50.0	1,849	24.0
Upper						
2022	26.2	27.9	17	34.7	2,383	22.2
2023	25.5	27.6	7	25.0	1,998	30.0
2024	24.4	--	3	11.5	700	9.1
NA						
2022	9.9	6.9	4	8.2	1,376	12.8
2023	11.1	7.5	1	3.6	310	4.7
2024	12.3	--	3	11.5	1,480	19.2
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>10,751</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>	<b>6,661</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>26</b>	<b>100.0</b>	<b>7,702</b>	<b>100.0</b>
<i>Source: 2022, 2023, &amp; 2024 D&amp;B Data; Bank Data; 2022 &amp; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

## **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes. Examiners focused on the number of home mortgage loans to low- and moderate-income borrowers and the number of small business loans to businesses with GARs of \$1.0 million or less. Examiners also considered the demographics of the assessment area in formulating these conclusions.

### ***Home Mortgage Loans***

As shown in the table below, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels. The bank's performance among low-income borrowers exceeded aggregate data every year during the review period and trailed demographic data every year during the review period. A low-income family in the assessment area, with income below \$51,950 in 2022, below \$52,850 in 2023, and below

\$55,650 in 2024 would likely not qualify for a home mortgage loan under conventional underwriting standards considering the median housing value of \$266,454. Therefore, opportunities for lending to low-income families are limited. These factors help explain the difference between the bank’s performance and demographic data.

Furthermore, the bank’s performance among moderate-income borrowers exceeded demographic data in 2022, 2023, and 2024 and exceeded aggregate data in 2023 and 2024.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Wilmington, DE-MD-NJ MD Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	20.6	10.6	12	11.5	1,019	4.1
2023	20.6	8.6	9	11.3	317	2.3
2024	20.6	9.4	7	12.7	475	3.0
<b>Moderate</b>						
2022	17.4	22.2	21	20.2	2,579	10.4
2023	17.4	18.8	17	21.3	1,807	12.8
2024	17.4	19.0	11	20.0	709	4.5
<b>Middle</b>						
2022	21.0	20.4	14	13.5	2,241	9.1
2023	21.0	21.0	18	22.5	2,048	14.5
2024	21.0	19.4	9	16.4	1,799	11.4
<b>Upper</b>						
2022	41.0	26.4	31	29.8	11,025	44.5
2023	41.0	29.4	21	26.3	6,254	44.3
2024	41.0	27.4	15	27.3	6,201	39.3
<b>NA</b>						
2022	0.0	20.4	26	25.0	7,894	31.9
2023	0.0	22.3	15	18.8	3,693	26.2
2024	0.0	24.8	13	23.6	6,579	41.7
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>104</b>	<b>100.0</b>	<b>24,758</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>80</b>	<b>100.0</b>	<b>14,119</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>15,763</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data, 2022, 2023, & 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%*

**Small Business Loans**

As shown in the table below, the distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes. The bank’s performance of lending to businesses with GAR of less than or equal to \$1.0 million was below demographic data but exceeded aggregate data in 2022 and 2023.

Distribution of Small Business Loans by Gross Annual Revenue Category Wilmington, DE-MD-NJ MD Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	86.0	45.7	28	57.1	7,254	67.5
2023	86.2	47.1	14	50.0	1,995	30.0
2024	86.5	--	11	42.3	2,202	28.6
>\$1,000,000						
2022	5.1	--	21	42.9	3,497	32.5
2023	5.0	--	14	50.0	4,666	70.1
2024	4.7	--	15	57.7	5,500	71.4
Revenue Not Available						
2022	8.9	--	0	0.0	0	0.0
2023	8.8	--	0	0.0	0	0.0
2024	8.8	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>10,751</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>	<b>6,661</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>26</b>	<b>100.0</b>	<b>7,702</b>	<b>100.0</b>

Source: 2022, 2023 & 2024 D&B Data; Bank Data; 2022 & 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%

## COMMUNITY DEVELOPMENT TEST

Artisans' demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered Artisans' capacity, along with the need and availability of such opportunities.

### Community Development Loans

During the evaluation period, Artisans' made nine community development loans totaling \$5.5 million benefitting the Wilmington, DE-MD-NJ MD assessment area. This performance represents an increase since the prior evaluation in both number and dollar volume of community development loans. At the prior evaluation, Artisans' made three community development loans totaling \$4.4 million. The following table shows Artisans' community development lending activity by year and purpose.

<b>Community Development Lending Wilmington, DE-MD-NJ MD Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
8/15/2022-12/31/2022	0	0	0	0	0	0	0	0	0	0
2023	2	181	0	0	0	0	1	600	3	781
2024	1	2,160	1	100	0	0	3	2,300	5	4,560
YTD 2025	0	0	1	150	0	0	0	0	1	150
<b>Total</b>	<b>3</b>	<b>2,341</b>	<b>2</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>2,900</b>	<b>9</b>	<b>5,491</b>
<i>Source: Bank Data</i>										

Below are notable examples of the community development loans made during the evaluation period that benefited this assessment area.

- In 2024, the bank originated a \$2.2 million loan to finance the purchase of an apartment complex, located in a moderate-income census tract in Newark, DE. The complex contains six apartment buildings, with six units each. All apartment unit rents are below the HUD fair market values. This loan supports affordable housing for low- and moderate-income individuals in the assessment area.
- In 2024, the bank renewed a \$1.0 million line of credit and originated a new line of credit for \$1.0 million to support a non-profit, performing arts center and theater located within the Market Street Historic district in Wilmington, DE. The theater is located in a moderate-income census tract and part of the state-approved Downtown Development District Plan (DDDP) for Wilmington, which was recently updated in 2024. A key objective of the DDDP is to revitalize the Market Street corridor by redeveloping vacant or underutilized spaces to create additional business, hospitality, and entertainment options for residents and visitors. This loan supports the revitalization of a moderate-income census tract in the assessment area.
- In 2025, the bank renewed a \$150,000 line of credit to a non-profit that operates an early learning center for pre-school children of low-income families. Loan proceeds cover payroll and operating expenses during periods where contractual funding is delayed. The organization provides essential services, including education, health, and family services for low-income families, and the early learning center is located in a low-income census tract in Wilmington, DE. This loan supports community services for low- and moderate-income families in the assessment area.

### **Qualified Investments**

During the evaluation period, Artisans’ made 76 investments totaling \$7.7 million benefitting this assessment area. The total includes one new qualified investment totaling \$1.2 million, nine prior period investments outstanding at \$6.4 million, and 66 donations totaling \$86,473. Qualified investments represent 1.1 percent of average total assets and 5.9 percent of average total securities since the prior evaluation. Artisans’ qualified investment activity increased by number but

decreased by dollar volume since the prior evaluation. At the prior evaluation, Artisans’ had 66 investments totaling \$10.7 million, which represented 1.7 percent of average total assets. The following table illustrates the bank’s qualified investment activity by year and purpose.

<b>Qualified Investments Wilmington, DE-MD-NJ MD Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	9	6,442	0	0	0	0	0	0	9	6,442
8/15/2022-12/31/2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
2024	1	1,199	0	0	0	0	0	0	1	1,199
YTD 2025	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>10</b>	<b>7,641</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>7,641</b>
Qualified Grants & Donations	9	12	48	63	5	8	4	3	66	86
<b>Total</b>	<b>19</b>	<b>7,653</b>	<b>48</b>	<b>63</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>76</b>	<b>7,727</b>
<i>Source: Bank Data</i>										

Below are notable examples of qualified investments and donations made during the evaluation period that benefited this assessment area:

- In 2024, the bank purchased a \$1.2 million Federal Home Loan Mortgage Corporation (FHLMC) mortgage-backed security (MBS). The security consists of five mortgages, four of which are located in New Castle County, all to low- and moderate-income borrowers. This investment supports affordable housing in the assessment area.
- The bank made two donations totaling \$2,000 to a community development corporation (CDC) with a mission to redevelop a low-income neighborhood in Wilmington, DE through improvements to housing, education, and healthcare systems. This donation supports the revitalization of a low-income census tract in the assessment area.
- The bank made two donations totaling \$2,000 supporting a low-income federal credit union based in Wilmington, DE. This donation supports economic development by supporting an intermediary that serves low- and moderate-income individuals in the assessment area.

### **Community Development Services**

During the evaluation period, bank staff provided 43 instances of financial expertise or technical assistance totaling 483 service hours to different community development-related organizations in the assessment area. The bank’s performance, by both instances and hours, increased since the prior evaluation, where the bank reported 24 instances of community development services totaling 360 hours. The following table illustrates the bank’s community development services during the evaluation period by year and purpose.

<b>Community Development Services Wilmington, DE-MD-NJ MD Assessment Area</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
8/15/2022-12/31/2022	1	2	3	4	<b>10</b>
2023	2	2	3	5	<b>12</b>
2024	1	2	3	5	<b>11</b>
YTD 2025	1	1	3	5	<b>10</b>
<b>Total</b>	<b>5</b>	<b>7</b>	<b>12</b>	<b>19</b>	<b>43</b>
<i>Source: Bank Data</i>					

Below are notable examples of community development services benefiting this assessment area:

- The bank’s Chief Risk Officer (CRO) serves on both the Board and finance committee of a non-profit organization with a primary purpose of revitalizing a moderate-income area in Wilmington, DE by investing in public transportation, small businesses, bike lines, and community beautification. The CRO’s provision of financial expertise will help attract and retain new and existing businesses and residents in the moderate-income area.
- Multiple lending personnel served on the loan committee of a limited-income credit union that provide banking access to underserved individuals in New Castle County. This provision of financial expertise assists an intermediary in serving economic development needs of low- and moderate-income individuals in the assessment area.
- A member of the bank’s board serves as a pro bono attorney for a workforce housing initiative in New Castle County. The initiative’s primary purpose is to provide opportunities for low- and moderate-income households to purchase affordable new construction housing units in the assessment area.

## DE NON-MSA AREA– Limited-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN DE NON-MSA AREA

Examiners performed a limited-scope review to evaluate and rate the bank’s CRA performance in the DE Non-MSA assessment area. This assessment area includes all 75 census tracts in Sussex County. Artisans’ operations in the assessment area represent 31.9 percent of total in-assessment area lending (by dollar amount), 19.4 percent of total deposits, and 16.7 percent of total branches.

The following table shows the DE Non-MSA assessment area demographic information.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	75	0.0	14.7	50.7	30.7	4.0
Population by Geography	237,378	0.0	17.6	62.3	19.3	0.8
Housing Units by Geography	141,123	0.0	14.2	52.2	32.7	0.9
Owner-Occupied Units by Geography	76,401	0.0	13.7	60.9	24.8	0.7
Occupied Rental Units by Geography	17,822	0.0	30.3	53.8	14.1	1.8
Vacant Units by Geography	46,900	0.0	8.9	37.5	52.7	0.9
Businesses by Geography	16,641	0.0	15.8	60.7	23.0	0.4
Farms by Geography	466	0.0	14.4	78.5	7.1	0.0
Family Distribution by Income Level	64,499	18.8	20.0	20.8	40.4	0.0
Household Distribution by Income Level	94,223	22.7	16.9	19.1	41.3	0.0
DE Non-MSA Median Family Income		\$77,499	Median Housing Value			\$333,735
			Median Gross Rent			\$1,024
		Families Below Poverty Level			7.6%	
<i>Source: 2020 Census And 2024 D&amp;B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

There are 11 moderate-income geographies and no low-income geographies in this assessment area.

Population has grown since the prior evaluation. Meanwhile, the MFI for the area increased from \$74,400 to \$106,000 (42.5 percent), and the median housing value increased from \$300,388 to \$333,735 (11.1 percent). Examiners observe that while wages and earnings increased at a rate higher than home values, the OMB’s changes to the census boundaries removed Sussex County from the Salisbury, MD-DE MSA, which also contributed to the change in MFI. This data indicates a limited opportunity for low- and moderate-income borrowers to afford purchase money mortgages.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN DE NON-MSA AREA

### LENDING TEST

The institution’s lending performance in the DE Non-MSA assessment area is consistent with the institution’s lending performance in the Wilmington, DE-MD-NJ MD assessment area.

### Geographic Distribution

<b>Geographic Distribution of Home Mortgage Loans DE Non-MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner- Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	0.0	--	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Moderate</b>						
2022	13.7	11.2	1	2.4	50	0.5
2023	13.7	11.2	3	8.8	3,156	25.5
2024	13.7	14.0	2	10.5	259	4.4
<b>Middle</b>						
2022	60.1	56.8	20	48.8	4,827	43.4
2023	60.1	61.3	23	67.7	5,007	40.5
2024	60.9	61.7	12	63.2	2,323	39.9
<b>Upper</b>						
2022	25.6	31.7	20	48.8	6,256	56.2
2023	25.6	27.3	8	23.5	4,211	34.0
2024	24.8	24.2	5	26.3	3,245	55.7
<b>NA</b>						
2022	0.7	0.3	0	0.0	0	0.0
2023	0.7	0.2	0	0.0	0	0.0
2024	0.7	0.2	0	0.0	0	0.0
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>11,133</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>12,374</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>5,827</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data, 2022, 2023, & 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%*

<b>Geographic Distribution of Small Business Loans DE Non-MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	0.0	--	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Moderate</b>						
2022	16.4	14.3	2	10.0	506	8.4
2023	16.4	14.1	5	25.0	620	23.4
2024	15.8	--	3	16.7	730	19.8
<b>Middle</b>						
2022	58.5	59.2	11	55.0	3,650	60.2
2023	58.6	60.7	10	50.0	1,302	49.1
2024	60.7	--	11	61.1	2,621	71.1
<b>Upper</b>						
2022	24.7	26.0	7	35.0	1,904	31.4
2023	24.6	24.7	5	25.0	730	27.5
2024	23.0	--	4	22.2	334	9.1
<b>NA</b>						
2022	0.5	0.5	0	0.0	0	0.0
2023	0.5	0.6	0	0.0	0	0.0
2024	0.4	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>6,060</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>2,652</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>18</b>	<b>100.0</b>	<b>3,685</b>	<b>100.0</b>
<i>Source: 2022, 2023, &amp; 2024 D&amp;B Data; Bank Data; 2022 &amp; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

## Borrower Profile

<b>Distribution of Home Mortgage Loans by Borrower Income Level DE Non-MSA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	18.3	6.0	2	4.9	252	2.3
2023	18.3	4.7	4	11.8	550	4.4
2024	18.8	6.6	0	0.0	0	0.0
<b>Moderate</b>						
2022	19.8	14.9	5	12.2	549	4.9
2023	19.8	12.7	5	14.7	197	1.6
2024	20.0	16.8	6	31.6	630	10.8
<b>Middle</b>						
2022	20.5	17.8	9	22.0	1,446	13.0
2023	20.5	18.7	2	5.9	916	7.4
2024	20.8	17.8	2	10.5	305	5.2
<b>Upper</b>						
2022	41.5	47.1	20	48.8	6,455	58.0
2023	41.5	46.3	21	61.8	9,221	74.5
2024	40.4	38.1	10	52.6	4,767	81.8
<b>NA</b>						
2022	0.0	14.2	5	12.2	2,431	21.8
2023	0.0	17.6	2	5.9	1,490	12.0
2024	0.0	20.7	1	5.3	125	2.2
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>11,133</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>12,374</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>5,827</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data, 2022, 2023, &amp; 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

<b>Distribution of Small Business Loans by Gross Annual Revenue Category DE Non-MSA Assessment Area</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2022	87.7	52.6	10	50.0	2,030	33.5
2023	87.7	53.5	11	55.0	708	26.7
2024	88.4	--	10	55.6	1,450	39.4
<b>&gt;\$1,000,000</b>						
2022	3.4	--	10	50.0	4,030	66.5
2023	3.4	--	9	45.0	1,944	73.3
2024	3.3	--	8	44.4	2,235	60.7
<b>Revenue Not Available</b>						
2022	8.9	--	0	0.0	0	0.0
2023	8.9	--	0	0.0	0	0.0
2024	8.3	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>6,060</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>2,652</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>18</b>	<b>100.0</b>	<b>3,685</b>	<b>100.0</b>
<i>Source: 2022, 2023 &amp; 2024 D&amp;B Data; Bank Data; 2022 &amp; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

## **COMMUNITY DEVELOPMENT TEST**

The institution's community development performance in the DE Non-MSA assessment area was consistent with the institution's lending performance in the Wilmington, DE-MD-NJ MD assessment area.

### **Community Development Loans**

Artisans' originated two community development loans totaling \$2.2 million in support of economic development. The bank's community development lending activity increased since the prior evaluation in both number and dollar volume. At the prior evaluation, Artisans' made one community development loan totaling \$6,680 in this assessment area.

### **Qualified Investments**

Artisans' made 12 investments totaling \$863,087 during the evaluation period. The bank's level of qualified investment activity increased by number but decreased by dollar volume since the prior evaluation. At the prior evaluation, Artisans' had 10 investments totaling \$1.1 million in this assessment area.

### **Community Development Services**

During the evaluation period, bank staff provided 10 instances of financial expertise or technical assistance totaling 68 service hours to different community development-related organizations in the assessment area. The bank's performance, by both instances and hours, increased since the prior evaluation, where the bank reported three instances of community development services totaling 37 hours.

## DOVER, DE MSA– Limited-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN DOVER, DE MSA

Examiners performed a limited-scope review to evaluate and rate the bank’s CRA performance in the Dover, DE MSA assessment area. This assessment area includes all 42 census tracts in Kent County. Artisans’ operations in the assessment area represent 7.4 percent of total in-assessment area lending (by dollar amount), 11.9 percent of total deposits, and 16.7 percent of total branches.

The following table shows the Dover, DE MSA assessment area demographic information.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>N/A* % of #</b>
Geographies (Census Tracts)	42	0.0	21.4	50.0	23.8	4.8
Population by Geography	181,851	0.0	19.6	54.8	25.5	0.1
Housing Units by Geography	73,073	0.0	22.5	52.6	24.9	0.0
Owner-Occupied Units by Geography	46,326	0.0	17.2	56.6	26.2	0.0
Occupied Rental Units by Geography	20,973	0.0	33.2	44.1	22.7	0.0
Vacant Units by Geography	5,774	0.0	25.1	52.0	22.9	0.0
Businesses by Geography	17,969	0.0	46.8	39.6	13.5	0.1
Farms by Geography	335	0.0	14.0	60.6	25.4	0.0
Family Distribution by Income Level	45,506	20.6	17.5	21.7	40.2	0.0
Household Distribution by Income Level	67,299	22.6	18.0	18.9	40.5	0.0
Median Family Income MSA – 20100 Dover, DE MSA		\$70,383	Median Housing Value		\$ 218,281	
			Median Gross Rent		\$1,095	
			Families Below Poverty Level		6.8%	
<i>Source: 2020 Census And 2024 D&amp;B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

There are nine moderate-income geographies and no low-income geographies in this assessment area.

Population has grown since the prior evaluation. Meanwhile, the MFI for the area increased from \$68,400 to \$91,300 (33.4 percent), and the median housing value increased from \$197,071 to \$218,281 (10.8 percent). Examiners observe that wages and earnings increased at a higher rate than home values. This data indicates a higher likelihood of low- and moderate-income borrowers being able to afford purchase money mortgages.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN DOVER, DE MSA

### LENDING TEST

The institution’s lending performance in the Dover MSA assessment area is consistent with the institution’s lending performance in the Wilmington, DE MD-MD-NJ assessment area.

### Geographic Distribution

<b>Geographic Distribution of Home Mortgage Loans Dover, DE MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner- Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	0.0	--	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Moderate</b>						
2022	17.2	15.5	2	16.7	677	32.0
2023	17.2	20.1	3	37.5	365	38.1
2024	17.2	18.5	1	8.3	50	10.4
<b>Middle</b>						
2022	56.6	58.5	8	66.7	1,241	58.7
2023	56.6	56.9	4	50.0	578	60.3
2024	56.6	54.8	8	66.7	248	51.4
<b>Upper</b>						
2022	26.2	25.8	2	16.7	196	9.3
2023	26.2	23.0	1	12.5	15	1.6
2024	26.2	26.6	3	25.0	185	38.3
<b>NA</b>						
2022	0.0	0.2	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
2024	0.0	0.1	0	0.0	0	0.0
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>2,114</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>958</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>483</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data, 2022, 2023, & 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%*

<b>Geographic Distribution of Small Business Loans Dover DE MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	0.0	--	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Moderate</b>						
2022	36.8	40.5	4	44.4	585	26.3
2023	39.9	47.1	4	40.0	1,145	38.7
2024	46.8	--	0	0.0	0	0.0
<b>Middle</b>						
2022	46.0	40.7	3	33.3	720	32.4
2023	44.0	37.7	4	40.0	1,264	42.7
2024	39.6	--	2	50.0	520	70.6
<b>Upper</b>						
2022	17.0	18.8	2	22.2	920	41.4
2023	15.8	15.3	2	20.0	550	18.6
2024	13.5	--	2	50.0	217	29.4
<b>NA</b>						
2022	0.3	--	0	0.0	0	0.0
2023	0.3	0.0	0	0.0	0	0.0
2024	0.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>2,225</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>2,959</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>4</b>	<b>100.0</b>	<b>737</b>	<b>100.0</b>
<i>Source: 2022, 2023, &amp; 2024 D&amp;B Data; Bank Data; 2022 &amp; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

## Borrower Profile

<b>Distribution of Home Mortgage Loans by Borrower Income Level Dover DE MSA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	20.6	4.2	1	8.3	43	2.0
2023	20.6	4.2	1	12.5	13	1.4
2024	20.6	5.0	1	8.3	10	2.1
<b>Moderate</b>						
2022	17.5	16.5	1	8.3	20	1.0
2023	17.5	16.9	1	12.5	262	27.4
2024	17.5	18.4	3	25.0	105	21.7
<b>Middle</b>						
2022	21.7	26.3	1	8.3	178	8.4
2023	21.7	25.4	1	12.5	34	3.6
2024	21.7	22.6	5	41.7	146	30.2
<b>Upper</b>						
2022	40.2	32.2	5	41.7	386	18.3
2023	40.2	30.8	3	37.5	345	36.0
2024	40.2	26.4	3	25.0	222	46.0
<b>NA</b>						
2022	0.0	20.7	4	33.3	1,487	70.3
2023	0.0	22.7	2	25.0	304	31.7
2024	0.0	27.6	0	0.0	0	0.0
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>2,114</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>958</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>483</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data, 2022, 2023, &amp; 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Dover DE MSA Assessment Area</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2022	86.2	50.7	6	66.7	1,365	61.4
2023	86.9	52.5	5	50.0	870	29.4
2024	87.8	--	2	50.0	70	9.5
<b>&gt;\$1,000,000</b>						
2022	3.4	--	3	33.3	860	38.7
2023	3.2	--	5	50.0	2,089	70.6
2024	3.0	--	2	50.0	667	90.5
<b>Revenue Not Available</b>						
2022	10.4	--	0	0.0	0	0.0
2023	9.9	--	0	0.0	0	0.0
2024	9.2	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>2,225</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>2,959</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>4</b>	<b>100.0</b>	<b>737</b>	<b>100.0</b>
<i>Source: 2022, 2023 &amp; 2024 D&amp;B Data; Bank Data; 2022 &amp; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

## **COMMUNITY DEVELOPMENT TEST**

The institution's community development performance in the Dover, DE MSA assessment area was consistent with the institution's lending performance in the Wilmington, DE-MD-NJ MD assessment area that was reviewed using full-scope examination procedures.

### **Community Development Loans**

Artisans' originated three community development loans totaling \$2.8 million in support of affordable housing and economic development. The bank's community development lending activity increased since the prior evaluation in both number and dollar volume. At the prior evaluation, Artisans' made two community development loans totaling \$751,000 in this assessment area.

### **Qualified Investments**

Artisans' made 13 donations totaling \$14,500 during the evaluation period. This level of activity is comparable to that of the prior evaluation period.

### **Community Development Services**

During the evaluation period, bank staff provided four instances of financial expertise or technical assistance totaling 33 service hours to different community development-related organizations in the assessment area. The bank's performance, by both instances and hours, increased since the prior evaluation, where the bank reported two instances of community development services totaling 15 hours.

## APPENDICES

### INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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. Other family 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).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, 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 do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**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 metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.