



PUBLIC DISCLOSURE

May 1, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First Bank and Trust Company

Lebanon, Virginia

**Federal Reserve Bank of Richmond
Richmond, Virginia**

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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223322

359 West Main Street

Lebanon, VA 24266

**Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261**

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INSTITUTION RATING

INSTITUTION'S CRA RATING: *The First Bank and Trust Company* is rated "**SATISFACTORY.**"

The following table indicates the performance level of The First Bank and Trust Company with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>The First Bank and Trust Company</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

Major factors supporting the institution's rating include:

- Lending levels reflect excellent responsiveness to assessment area credit needs when considering the number and amount of home mortgage, small business, and small farm loans in the bank's assessment areas.
- An adequate percentage of the institution's reported Home Mortgage Disclosure Act (HMDA), small business, and small farm loans were originated within the bank's assessment areas.
- The geographic distribution of loans varies by assessment area and product type and is considered good overall.
- The distribution of borrowers reflects, given the product offered, adequate overall penetration among customers of different income levels and businesses and farms of different sizes.
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and geographies as well as very small businesses and farms.
- The bank makes an adequate level of community development loans with limited use of flexible lending practices in serving assessment area credit needs.

- The bank makes an adequate level of qualified community development investments and donations, particularly those not routinely provided by private investors, rarely in a leadership position. Overall, the bank makes occasional use of innovative and/or complex investments to support community development initiatives.
- The bank exhibits adequate responsiveness to credit and community development needs through its investment activity.
- Delivery systems and branch locations are generally reasonably accessible to individuals and geographies of different income levels within the bank's overall assessment areas.
- The bank's opening and closing of branch locations generally did not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income people and areas.
- Banking services do not vary in a way that inconveniences the bank's assessment areas, particularly to low- and moderate-income areas and/or people.
- During the evaluation period, the bank provided an adequate level of qualified community development services.
- There have been no complaints regarding the bank's CRA performance since the previous evaluation.

INSTITUTION

DESCRIPTION OF INSTITUTION

The First Bank and Trust Company (FBTC) is headquartered in Lebanon, Virginia, and operates 26 full-service branch offices and 22 automated teller machines (ATMs) in the Commonwealth of Virginia and states of North Carolina and Tennessee. The institution is a wholly-owned subsidiary of First Bancorp, a single bank holding company, also headquartered in Lebanon, Virginia. The bank's previous CRA rating, dated October 19, 2020, was Satisfactory. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As of March 31, 2023, the bank had assets totaling \$3.1 billion, of which 81.3% were net loans and 3.1% were securities. As of the same date, deposits totaled \$2.7 billion. Various loan and deposit products are available through the institution including loans for consumer and commercial purposes. The composition of the loan portfolio using gross loans, as of March 31, 2023, is represented in the following table.

Composition of Loan Portfolio

Loan Type	3/31/2023	
	\$ (000s)	%
Secured by 1-4 Family dwellings	448,976	17.6
Multifamily	107,319	4.2
Construction and Development	330,414	13.0
Commercial & Industrial/ NonFarm NonResidential	801,385	31.4
Consumer Loans and Credit Cards	90,793	3.6
Agricultural Loans/ Farmland	723,439	28.4
All Other	45,866	1.8
Total	2,548,192	100.0

As indicated in the preceding table, FBTC is an active commercial, small farm, and residential mortgage lender. Small business loans (i.e. business purpose loans of \$1 million or less) are a subset of commercial and industrial loans. The bank offers other loans, such as consumer loans; however, the volume of such lending is comparatively small.

In April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP). This program was designed to allow workforces to remain employed and promote economic stability during the coronavirus (COVID-19) pandemic. While banks were not required to participate in the SBA's PPP lending program, FBTC was an active participant having originated 6,584 PPP loans totaling \$388.2 million. FBTC's origination of PPP loans is an example of the bank being responsive to area credit needs.

Based on its current branch locations, the bank delineates ten assessment areas in Virginia, Tennessee, and North Carolina. During the evaluation period, the bank opened four branch offices while closing one branch office. Details of the bank’s branching activity include the following.

Assessment Area	Branch Name	Date	Activity	Census Tract Income Level
Johnson City-Kingsport-Bristol, TN-VA	Pinnacle	June 7, 2021	Opened	Middle
	West Bristol	June 7, 2021	Closed	Middle
Fayetteville, NC *	Lillington	November 28, 2022	Opened	Upper
Richmond, VA *	Hanover	January 13, 2021	Opened	Upper
Rocky Mount, NC *	Red Oak	November 15, 2021	Opened	Upper

* New assessment areas resulting from branching activity

While branching activity in the Johnson City-Kingsport-Bristol, TN-VA assessment area did not result in any changes to the assessment area’s boundaries, the branching activity in the Fayetteville, NC; Richmond, VA; and Rocky Mount, NC assessment areas resulted in the creation of those assessment areas. Given the recency of the creation of the Fayetteville, NC assessment area, FBTC’s performance in that assessment area was not considered in this evaluation. The current composition of the bank’s ten assessment areas are reflected in **Appendix F**.

SCOPE OF EXAMINATION

FBTC was evaluated using the interagency examination procedures for large bank institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with these procedures, all residential mortgage (HMDA), small business, and small farm lending activity reported by FBTC from January 1, 2020, through December 31, 2021, was reviewed. Qualified community development loans that were originated or renewed from October 19, 2020, the date of the most recent CRA evaluation, through May 1, 2023 (i.e., the evaluation period), are also considered for this evaluation. All qualified community development services provided since the previous evaluation, all qualified investments made during the evaluation period, and those investments outstanding as of the date the evaluation began, regardless of when made, were also considered. The evaluation considers only the activities of FBTC and does not include the activities of any other affiliates.

The bank serves ten assessment areas. Based upon relative market size as determined by loan activity, proportion of bank deposits, and area population, full-scope evaluation procedures were applied to the following assessment areas:

- Johnson City-Kingsport-Bristol, TN-VA
- Harrisonburg-Staunton, VA
- Lynchburg, VA
- Blacksburg-Christiansburg-Radford, VA
- Rocky Mount, NC

Because of the bank's branch locations, an overall rating and the ratings for the Lending, Investment, and Service Tests are required for the institution, the multistate metropolitan area (Johnson City-Kingsport- Bristol, TN-VA assessment area), Virginia, and North Carolina.

The remaining four assessment areas (Norton City, VA NonMSA, Shenandoah, VA NonMSA, Wythe County, VA NonMSA, and Richmond, VA) were subject to the limited review procedures provided for by the FFIEC. For each assessment area reviewed utilizing the limited scope evaluation procedures, a determination was made as to whether performance is consistent with the assigned overall state rating. Performance in the Fayetteville, NC assessment area was not evaluated because the bank entered this assessment area in November 2022 and much of the loan data utilized in the Lending Test is from calendar years 2020 and 2021. **Appendix E** includes information detailing the lending volume, branch locations, and deposit volume by assessment area.

During 2020 and 2021, FBTC reported originating 1,666 small farm loans totaling \$81.8 million across all of its assessment areas. Of these small farm loans, 1,225 totaling \$65 million were extended within the Johnson City-Kingsport-Bristol, TN-VA; Blacksburg-Christiansburg-Radford, VA; Harrisonburg-Staunton, VA; Lynchburg, VA; and Rocky Mount, NC assessment areas. While small farm lending performance was evaluated in these five full-scope assessment areas, it was not evaluated in the bank's Blacksburg-Christiansburg-Radford, VA assessment area based on the limited loan volume (by number and dollar) and the limited demand in this market (based on the small number of area farms).

While the bank has reported its 2022 HMDA and CRA data, that data is not included in this analysis because the 2022 aggregate data is not yet available. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2022 is an important performance context factor needed to evaluate the bank's lending performance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The institution's overall rating is based on the ratings assigned to the multistate metropolitan area, the Commonwealth of Virginia, and the state of North Carolina. These ratings are weighted primarily according to bank activity as measured by relative lending volume, dollar amount of deposits, and the number of branches. According to FFIEC examination procedures, the Lending Test performance accounts for half of the overall rating, while the Investment and Service Tests are equally weighted and combined, account for the remaining half of the overall rating. In all cases, conclusions also take into consideration relevant performance context factors.

To help determine the availability of community development opportunities in specific assessment areas, the CRA public evaluations of other financial institutions operating in these areas were reviewed. Also, in some assessment areas, members of the community were contacted to learn about local economic conditions, local credit needs, performance of banks in the assessment area, as well as potential community development opportunities.

As indicated in **Appendix E**, the bank's operations (i.e. loan originations, branches, and deposit account volume) are heavily concentrated in the Commonwealth of Virginia. As such, FBTC's performance in Virginia is a larger driver in the institution's overall performance than its performance in the multistate area or North Carolina.

LENDING TEST

The bank's overall lending test performance is rated Low Satisfactory. This rating considers the bank's lending activity, assessment area concentration, geographic and borrower distribution performances, responsiveness to credit needs, community development lending, and product innovation. These components are discussed in subsequent sections.

When evaluating the bank's performance, relevant area demographic data from the 2015 American Community Survey (ACS) are used as proxies for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on the ACS data that is published and updated once every five years. Dun & Bradstreet (D&B) demographic data from 2020 and 2021 is also considered when evaluating the bank's performance. Aggregate HMDA and CRA small business and small farm loan data reported from 2020 and 2021 is also considered when evaluating the bank's performance. Aggregate data includes all

activity reported by lenders subject to reporting HMDA and CRA loan data within the bank's assessment areas. Because FBTC is required to report HMDA and CRA loan data, its lending is included in the aggregated data.

While HMDA and CRA loan data from calendar years 2020 and 2021 were fully analyzed and considered in the evaluation, only bank and aggregate data from 2021 are presented in the assessment area lending tables. In instances where the bank's 2020 performance varies significantly from its 2021 performance, such variance and the corresponding impact on overall performance is discussed. **Appendix D** includes the bank's 2020 lending performance tables to support any variance in conclusions discussed in the report.

Throughout the analysis of lending, loans without reported income (in the case of borrower distribution) and loans where reported geographic information is incomplete (in the case of geographic distribution) are excluded from both the bank loan totals and comparative aggregate lending totals.

Lending Activity:

The bank's lending activity is considered excellent overall. The table below details the combined lending activity from 2020 and 2021, based on the bank's reported loan data reviewed during this evaluation.

Summary of Lending Activity

Loan Type	#	%	\$(000)	% of \$
Home Improvement	30	0.24	2,420	0.19
Home Purchase	1,434	11.57	291,522	22.66
Multi-Family Housing	43	0.35	25,667	2.00
Refinancing	1,571	12.68	314,224	24.42
Loan Purpose Not Applicable	5	0.04	1,421	0.11
Other Purpose Closed-End	42	0.34	3,967	0.31
Other Purpose LOC	0	0	0	0
Total HMDA related	3,125	25.20	639,221	49.70
Small Business	6,111	49.30	470,888	36.60
Small Farm	3,156	25.50	176,394	13.70
TOTAL LOANS	12,392	100	1,286,503	100

Overall, the bank's lending levels reflect excellent responsiveness to credit needs, based on the lending activity analyzed under the Lending Test. The total number and dollar volume of loans were considered in arriving at the lending activity conclusion. In addition, FBTC's performance is excellent in the multistate metropolitan area and Virginia, while its performance in North Carolina is poor.

Information about the bank's loan-to-deposit ratio, changes in loans and deposits, and its market share and rankings can provide additional context regarding the bank's lending activity and its capacity. As of March 31, 2023, FBTC's loan-to-deposit ratio equaled 92.6% and averaged 89.2% during the ten-quarter period ending March 30, 2023. Since December 31, 2020, FBTC's assets, loans and deposits increased by 31.8%, 29.4% and 36.1%, respectively.

According to 2021 aggregate data, FBTC ranked 32nd out of 814 reporters in HMDA lending with a .8% market share. According to 2021 aggregate loan data, the institution ranked 6th out of 206 reporters in small business/small farm lending volume with a 6.1% market share. The bank's comparatively high market share rankings indicate that it is an active lender within its combined assessment areas.

To meet the credit needs of its various assessment areas, FBTC offers a broad range of financial products and services. In addition, the bank offers loan products and participates in loan programs that have flexible criteria or are designed to meet specific credit needs that often benefit low- and moderate-

income borrowers or aid in the revitalization or stabilization of low- and moderate-income and underserved middle-income census tracts. The Paycheck Protection Program is an example of a loan program that the bank has utilized in an effort to be responsive to community credit needs. The bank offered PPP loans designed to help businesses keep their workforce employed during the coronavirus (COVID-19) crisis. As previously discussed, FBTC originated 6,584 PPP loans totaling \$388.2 million.

While many of these loans have been reported by the bank as community development or CRA (small business or farm loans) loans, they are examples of FBTC using flexible lending products to meet credit needs within its assessment areas and larger statewide areas. FBTC makes limited use of innovative and/or flexible lending practices in serving assessment area credit needs.

Assessment Area Concentration:

The institution's lending volume of reported HMDA, small business, and small farm loans from January 1, 2020, through December 31, 2021, is reflected in the following table.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	1,065	74.3	207,559	71.2	369	25.7	83,963	28.8
Home Improvement	23	76.7	2,042	84.4	7	23.3	378	15.6
Refinancing	1,255	79.9	246,744	78.5	316	20.1	67,480	21.5
Multi-Family Housing	26	60.5	18,547	72.3	17	39.5	7,120	27.7
Loan Purpose Not Applicable	1	20.0	244	17.2	4	80.0	1,177	82.8
Other Purpose Closed/Exempt	26	61.9	2,652	66.9	16	38.1	1,315	33.1
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
Total HMDA related	2,396	76.7	478,032	74.8	729	23.3	161,433	25.2
Small Business	4,569	74.8	346,697	73.6	1,542	25.2	124,191	26.4
Small Farm	1,666	52.8	81,776	46.4	1,490	47.2	94,618	53.6
TOTAL LOANS	8,631	69.6	906,505	70.4	3,761	30.4	380,242	29.6

As indicated in the preceding table, an adequate percentage of the total number (69.6%) and dollar amount (70.4%) for loans have been provided to borrowers within the bank's assessment areas.

Geographic and Borrower Distribution:

The bank's overall geographic distribution performance is good. From a multistate and state perspective, FBTC's performance is adequate in the multistate metropolitan area, good in the Commonwealth of Virginia, and poor in the state of North Carolina. FBTC's borrower distribution is adequate overall. Its performance in the multistate metropolitan area and in Virginia is poor, while its performance in North Carolina is poor.

When evaluating the geographic and borrower distribution for a specific loan category within an assessment area, primary emphasis is placed on the number of loans originated or purchased. To arrive at an overall assessment area level conclusion regarding the distribution of lending, performance in each loan category is then weighted by the dollar volume and strength of performance for each category extended in the assessment area. Similarly, when the performance of multiple assessment areas is considered to reach a statewide, multistate, and institutional rating, the overall level of performance from each assessment area subject to full-scope review is weighted primarily according to the dollar volume of originations during the review period.

While the bank is an active residential mortgage, small business, and small farm lender, it extended a much larger dollar volume of residential mortgage and small business loans within many of its assessment areas than small farm loans. Accordingly, the bank's residential mortgage and small business lending performance was generally given more weight when considering the bank's combined

product performance. In addition, the performance for geographic and borrower distribution performance of HMDA loans focused on performance for the home purchase, home improvement, refinancing, and multi-family loan categories. Performance for the Not Applicable, Other Closed, and Other Line of Credit (LOC) loan types was not evaluated because not all HMDA reporters are required to report each of these loan types, or the loan type category contains relatively few loans overall.

Community Development Lending:

During the evaluation period, the bank made an adequate level of community development loans in relation to available opportunities. From a state and multistate perspective, the bank’s CD lending performance is adequate in the multistate metropolitan area and Virginia and poor in North Carolina. The following table summarizes the bank’s community development lending during the evaluation period.

CRA Loan Purpose	#	\$ (000s)
Revitalization/Stabilization/Job Creation	3	\$5,022
Economic Development	1	\$1,206
Total	4	\$6,228

The availability of safe and sound community development loan opportunities varies by assessment area. Community development lending opportunities within the bank's full-scope assessment areas are reasonably available in the metropolitan assessment areas (Johnson City-Kingsport-Bristol, TN-VA, Harrisonburg-Staunton, VA, Lynchburg, VA, Blacksburg-Christiansburg-Radford, VA and Rocky Mount, NC), while opportunities are limited in the bank's remaining limited-scope nonmetropolitan assessment areas. This conclusion is based, in part, upon the review of other public evaluations for institutions serving these assessment areas, as well as information from affordable housing, economic development, and community service officials working within the full-scope assessment areas. Notwithstanding these limitations, the bank faces no constraints relative to its size and business strategy in making community development loans and has extended such loans consistent with available opportunities.

INVESTMENT TEST

Overall, FBTC’s Investment Test performance is rated Low Satisfactory when considering its relatively small securities portfolio and the availability of community development investment opportunities within its assessment areas. Through its qualified community development investment activity, FBTC is rarely in a leadership position, makes occasional use of innovative and/or complex investments, and the bank demonstrates adequate responsiveness to credit and community development needs through its investment activity.

The bank’s Investment Test performance is adequate in the multistate metropolitan area and Virginia, while its performance is poor in North Carolina. Similar to its overall performance, FBTC is rarely in leadership position, makes occasional use of innovative and/or complex investments, and responds adequately to community needs through its investment activity. In North Carolina, the bank’s responsiveness to community needs is poor.

The following table summarizes the bank’s community development investments and grants made during the evaluation period along with activity from prior periods still outstanding as of the date of this evaluation.

CRA Investment Purpose	#	\$
CDFI Investments	2	\$4,103,048
Affordable Housing Loan Pool	1	\$1,822,048
Donations	60	\$172,915
Total		\$6,098,011

As of March 31, 2023, the bank reported \$3.1 billion in total assets and a securities portfolio totaling \$94.5 million.

SERVICE TEST

FBTC’s Service Test performance is rated Low Satisfactory overall. Service Test performance is considered adequate in both the multistate metropolitan area and Virginia and poor in North Carolina.

Delivery systems, branch locations, and hours of operation are considered reasonably accessible to individuals and geographies of different income levels within the bank’s assessment areas. None of the 26 branch offices are located in low-income income areas and two (7.7%) are located in moderate-income areas. For context, 3.9% of all assessment area households and 3.7% of area businesses are located in low-income census tracts, and 18.3% of all households and 15.9% of area businesses are located in moderate-income census tracts within the bank’s assessment areas. The bank also operates additional branches located near low- and moderate-income census tracts and provides other delivery systems such as digital banking and ATMs accessible to low- and moderate-income areas and people, businesses, and farms.

The bank’s branching activity during the evaluation period generally did not adversely affect the accessibility of its banking delivery systems within its combined assessment areas, particularly for low- or moderate-income people or census tracts. As previously noted, the bank closed one branch and opened three branches since its prior evaluation. The following table illustrates this branching activity.

Assessment Area	Branch Name	Date	Activity	Census Tract Income Level
Johnson City-Kingsport-Bristol, TN-VA	Pinnacle	June 7, 2021	Opened	Middle
	West Bristol	June 7, 2021	Closed	Middle
Fayetteville, NC	Lillington	November 28, 2022	Opened	Upper
Richmond, VA	Hanover	January 13, 2021	Opened	Upper
Rocky Mount, NC	Red Oak	November 15, 2021	Opened	Upper

In addition, retail banking services do not vary in a way that inconveniences any portion of the bank’s assessment areas, including low- and moderate-income areas or people. The bank also continues to offer free and low-cost checking account options. While these accounts are available to all customers, they can be especially beneficial to low- and moderate-income people and small businesses including farms.

Overall, FBTC and its employees provide an adequate level of community development services within the bank’s assessment areas. FBTC and its employees volunteered their time and provided financial expertise to organizations that provide community development services within the bank’s assessment areas. The following table summarizes the bank’s activities across all assessment areas during the evaluation.

CRA Service Type	# Activities
Affordable Housing	3
Economic Development	14
Services Targeted to Low- and Moderate-Income People	4
Total	21

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

MULTISTATE METROPOLITAN AREA

CRA RATING FOR JOHNSON CITY-KINGSPORT-BRISTOL, TN-VA¹: SATISFACTORY

The Lending Test is rated: LOW SATISFACTORY

The Investment Test is rated: LOW SATISFACTORY

The Service Test is rated: LOW SATISFACTORY

Major factors supporting the rating include:

- Lending levels reflect excellent responsiveness to assessment area credit needs.
- The bank's geographic distribution performance varies by product within the multistate metropolitan area and is considered adequate overall.
- The bank's borrower distribution performance varies by product within the multistate metropolitan area and is considered adequate overall.
- While there are no low-income census tracts within this assessment area, the bank exhibits a adequate record of serving the credit needs of both low-income individuals and very small businesses and farms.
- The bank makes an adequate level of community development loans in the multistate metropolitan area. In addition, FBTC makes limited use of flexible lending practices to meet credit needs.
- The bank makes an adequate level of qualified community development investments and donations, particularly those not routinely provided by private investors, rarely in a leadership position. Overall, the bank makes occasional use of innovative and/or complex investments to support community development initiatives.
- The bank exhibits adequate responsiveness to credit and community development needs through its investment activity.
- Delivery systems and branch locations are reasonably accessible within the multistate metropolitan assessment area. Retail banking services do not vary in a way that inconveniences the bank's assessment areas, particularly low- and moderate-income areas and people.
- The record of opening and closing branch locations in this assessment area has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-geographies and/or individuals.
- The bank and its employees provide an adequate level of community development services within the multistate metropolitan area.

SCOPE OF EXAMINATION

All HMDA, small business, and small farm loan data from calendar years 2020 and 2021 were evaluated to reach conclusions about the bank's lending activity and borrower and geographic distribution of lending performance. The institution's efforts to serve its multistate assessment area through qualified community development loans, investments, and services during the review period were also reviewed. Qualified community development loans and services are considered for activities since the previous evaluation (October 19, 2020). All qualified investments made during this same period and those outstanding as of the evaluation, regardless of when made, were also considered.

Ratings for the multistate area are based solely on the bank's performance in this assessment area. The bank's performance in other parts of the Commonwealth of Virginia that are not part of this multistate assessment area is not considered in the evaluation of this assessment area.

¹ This rating reflects performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained in the multistate metropolitan area.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN JOHNSON CITY-KINGSPORT-
BRISTOL, TN-VA ASSESSMENT AREA**

The Johnson City-Kingsport-Bristol, TN-VA assessment area is located in southwestern Virginia and northeastern Tennessee and includes all of Washington County and the City of Bristol in Virginia, along with all of Washington and Sullivan counties in Tennessee. Washington County (TN) is part of the Johnson City, TN MSA, while Sullivan County, Washington County (VA), and the City of Bristol are part of the Kingsport-Bristol, TN-VA MSA. The assessment area includes contiguous whole cities and counties, but it does not include all of either MSA. Together, these two MSAs comprise the Johnson City-Kingsport-Bristol, TN-VA Combined Statistical Area (CSA). FBTC operates eight full-service branches within this assessment area.

As of June 30, 2022, FBTC ranked 3rd out of 25 financial institutions in local deposit market share according to data compiled by the Federal Deposit Insurance Corporation (FDIC) and held 13.5% of the assessment area’s deposits (credit union deposits are not included).

According to 2015 ACS data, the assessment area has a population of 354,352 and a median housing value of \$132,314. Within the assessment area the owner-occupancy rate equals 63%, which exceeds the rate in the Johnson City, TN MSA (60.2%), but lags the rate in the Kingsport-Bristol, TN-VA MSA (64.5%). Additionally, the owner-occupancy rate for the assessment area exceeds the rates for the state of Tennessee (58.6%) and the Commonwealth of Virginia (59.2%). The percentage of area families living below the poverty level in the assessment area (12.4%) lags the rates in the Johnson City, TN MSA (14.7%), the Kingsport-Bristol, TN-VA MSA (13.3%), and the State of Tennessee (13.2%), but exceeds the rate in Commonwealth of Virginia’s rate (8.2%). The following table details the median family income data for the Johnson City, TN MSA and the Kingsport-Bristol, TN-VA MSA during 2020 and 2021.

Assessment Area	Median Family Incomes	
	2020	2021
Johnson City, TN MSA	\$57,500	\$63,900
Kingsport-Bristol, TN-VA MSA	\$59,100	\$59,600

The following table provides pertinent information for the assessment area.

Assessment Area Demographics

Johnson City-Kingsport-Bristol, TN-VA <i>(Based on 2015 ACS Data and 2021 D&B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	19,037	19.6
Moderate	16	20.3	16,064	16.5	4,354	27.1	16,783	17.3
Middle	40	50.6	51,901	53.4	5,764	11.1	19,665	20.2
Upper	22	27.8	29,267	30.1	1,945	6.6	41,747	42.9
NA	1	1.3	0	0.0	0	0.0	0	0.0
Total	79	100.0	97,232	100.0	12,063	12.4	97,232	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	34,443	23.0
Moderate	14,864	14.1	28,447	19.0	8,480	29.8	23,271	15.6
Middle	57,450	54.6	78,226	52.3	12,482	16.0	25,514	17.1
Upper	32,905	31.3	42,777	28.6	4,082	9.5	66,222	44.3
NA	0	0.0	0	0.0	0	0.0		
Total	105,219	100.0	149,450	100.0	25,044	16.8	149,450	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2,967	21.3	2,661	20.9	276	25.9	30	25.6
Middle	6,441	46.3	5,940	46.7	440	41.4	61	52.1
Upper	4,460	32.1	4,092	32.2	342	32.1	26	22.2
NA	31	0.2	25	0.2	6	0.6	0	0.0
Total	13,899	100.0	12,718	100.0	1,064	100.0	117	100.0
Percentage of Total Businesses:				91.5		7.7		0.8
	Total Farms by Tract		Farms by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	27	8.0	26	8.1	0	0.0	1	7.1
Middle	217	64.2	207	64.7	3	75.0	7	50.0
Upper	94	27.8	87	27.2	1	25.0	6	42.9
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	338	100.0	320	100.0	4	100.0	14	100.0
Percentage of Total Farms:				94.7		1.2		4.1

*NA-Tracts without household or family income as applicable

Employment opportunities are available within various industries such as health care, manufacturing, retail, and local government, including area school systems. Major area employers include Eastman Chemical Company, Mountain States Health Alliance, East Tennessee State University, Holston Valley Community Hospital and Food City Supermarkets. The following table outlines the recent and historical unemployment rates:

Johnson City-Kingsport-Bristol, TN-VA - Average Annual Unemployment Rates					
Area	2017	2018	2019	2020	2021
Sullivan County, TN	4.04%	3.68%	3.70%	7.06%	4.22%
Washington County, TN	3.78%	3.53%	3.44%	6.28%	3.55%
Washington County, VA	4.07%	3.35%	3.31%	5.78%	3.57%
Bristol city, VA	4.46%	3.73%	3.71%	7.54%	4.74%
Johnson City, TN MSA	4.11%	3.80%	3.72%	6.53%	3.83%
Kingsport-Bristol, TN-VA MSA	4.11%	3.64%	3.66%	6.83%	4.12%
Tennessee	3.74%	3.49%	3.40%	7.38%	4.29%
Virginia	3.67%	2.95%	2.76%	6.20%	3.91%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Area unemployment rates peaked in 2020 due to the COVID-19 pandemic and have returned to near pre-pandemic levels in 2021. Area unemployment rates are similar to statewide unemployment rates in Virginia and Tennessee which suggests that the local economy is not significantly stronger or weaker than larger statewide areas.

An official from a community service organization was contacted during the evaluation to discuss local economic conditions and community credit needs. The contact noted the increased need of emergency financial assistance resulting from the coronavirus pandemic. The contact suggested that community service organizations would benefit from donations. The contact also indicated that area financial institutions are adequately meeting local credit needs.

Discussions with the community contact and reviews of the performance evaluations of other financial institutions having a local presence indicated that community development opportunities are reasonably available within the bank's assessment area when considering performance context factors. The institution faces no significant constraints relative to its size and business strategy in making community development loans, investments, or supporting community services activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN JOHNSON CITY-KINGSPORT-BRISTOL, TN-VA

LENDING TEST

The institution's overall lending performance within this assessment area is rated Low Satisfactory. This conclusion is based on FBTC's lending activity, its geographic and borrower performance, and its level of community development lending, while considering the bank's market strategy, area demographic data, and aggregate loan data.

During 2020 and 2021, the bank originated \$198.4 million in HMDA, \$131.9 million in small business loans, and \$11.9 million in small farm loans. Based on relative lending volumes, the bank's HMDA performance was given more weight when considering its overall performance within the assessment area.

Lending Activity:

Overall, FBTC's level of lending is considered excellent. According to the 2021 aggregate loan data, the institution ranked 5th out of 391 HMDA reporters with a 2.9% market share. Additionally, in 2021, the bank ranked 2nd out of 95 small business/small farm reporters with a 12.8% market share. The bank's high market share rankings indicate that it is a significant lender within the assessment area. The bank's market share rankings are a driver in the Lending Activity conclusion.

During the evaluation period, the bank reported 1,014 HMDA, 1,795 small business, and 279 small farm loans within this assessment area. The bank's lending activity during 2020 and 2021 as measured by the number (35.8%) and dollar volume (37.9%) exceeds the percentage of bank branches (30.8%) located in the assessment area and approximates the percentage of total deposits (39.3%).

FBTC offers a broad range of financial products and services to meet the credit needs of this assessment area. In addition, the bank offers loan products and participates in loan programs that have flexible criteria or are designed to meet specific credit needs that often benefit low- and moderate-income borrowers or aid in the revitalization or stabilization of low- and moderate-income census tracts. Programs such as the SBA's PPP loan program are an example of the bank meeting the borrowing needs of assessment area. Although many of these loans are part of the reported HMDA and small business, it shows some use of innovative and/or flexible lending practices in serving the credit needs of the assessment area, as well as a larger statewide area.

Geographic Distribution:

Overall, the bank's geographic distribution performance is considered adequate for HMDA, small business lending and small farm lending. While the assessment area includes whole cities and counties, there are no low-income census tracts in the assessment area.

Distribution of HMDA Loans by Income Level of Census Tract

Johnson City-Kingsport-Bristol, TN-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(219)				(6,850)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	26	11.9	3,866	8.9	1,096	16.0	169,610	11.5
Middle	112	51.1	21,206	48.6	3,336	48.7	673,074	45.7
Upper	81	37.0	18,549	42.5	2,418	35.3	631,147	42.8
	(202)				(6,836)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	17	8.4	2,248	6.0	718	10.5	95,414	7.4
Middle	101	50.0	16,528	44.2	3,369	49.3	592,224	45.8
Upper	84	41.6	18,592	49.8	2,749	40.2	604,302	46.8
	(7)				(613)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	14.3	95	10.2	70	11.4	5,079	11.0
Middle	3	42.9	622	66.8	272	44.4	18,953	41.1
Upper	3	42.8	214	23.0	271	44.2	22,068	47.9
	(6)				(104)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	50.0	1,905	56.6	28	26.9	41,344	28.5
Middle	2	33.3	1,018	30.2	51	49.0	69,925	48.2
Upper	1	16.7	444	13.2	25	24.1	33,898	23.3
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	47	10.8	8,114	9.5	1,912	13.3	311,447	10.5
Middle	218	50.2	39,374	46.2	7,028	48.8	1,354,176	45.8
Upper	169	39.0	37,799	44.3	5,463	37.9	1,291,415	43.7
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	434	100.0	85,287	100.0	14,403	100.0	2,957,038	100.0

NA*-Tracts without household or family income as applicable

In 2021, the majority of HMDA loans reported by FBTC and aggregate lenders were for refinance and home purchases. As such, more weight was given to the performance in these loan types than on home improvement and multi-family lending, given the large disparity in overall volume. Considering both demographic and aggregate proxies for demand, the bank's performance for both home purchase and refinance is considered adequate, while the home improvement and multifamily performance is considered excellent. As previously noted, the home improvement and multifamily performance has less impact on the bank's overall performance than its purchase and refinance performance.

Overall, FBTC's level of lending in moderate-income census tracts (10.8%) lagged both the percentage of owner-occupied units (14.1%) and the aggregate lending level (13.3%). The bank's performance is considered adequate, and its 2020 lending performance is similar.

Distribution of Small Business Loans by Income Level of Census Tract

Johnson City-Kingsport-Bristol, TN-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	113	15.1	9,052	15.2	1,236	17.4	66,359	19.8
Middle	373	49.9	29,496	49.6	3,320	46.8	152,624	45.4
Upper	261	35.0	20,955	35.2	2,542	35.8	116,944	34.8
NA*	0	0.0	0	0.0	3	0.0	30	0.0
Total	747	100.0	59,503	100.0	7,101	100.0	335,957	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

The bank’s level of small business lending in moderate-income census tracts (15.1%) lagged both the percentage of businesses in such areas (21.3%) and the aggregate lending level (17.4%). Overall, the bank’s performance is adequate, and its performance during 2020 is similar.

Distribution of Small Farm Loans by Income Level of Census Tract

Johnson City-Kingsport-Bristol, TN-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	% #	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	1.0	254	3.9	7	1.6	294	2.4
Middle	145	69.0	3,871	59.5	323	73.9	8,158	65.3
Upper	63	30.0	2,378	36.6	107	24.5	4,049	32.3
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	210	100.0	6,503	100.0	437	100.0	12,501	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

While the bank’s level of small farm lending in moderate-income census tracts (1%) lagged the percentage of farms in such areas (8%), it approximated the aggregate lending level (1.6%). The bank’s performance during 2021 is adequate.

During 2020, FBTC originated 69 small farm loans totaling \$5.4 million. Of these loans, one (1.4%) totaling \$24,000 (.4%) was to a farm located in a moderate-income census tract. The bank’s level of lending in moderate-income census tracts lagged the percentage of area farms (6.9%) and the aggregate lending level in the such (2.6%). The bank’s performance in 2020 is considered poor.

On a combined basis when considering the dollar volume of loans and the relative strength of performance in each year, FBTC’s overall small farm geographic distribution performance is considered adequate. In reaching this conclusion, more weight was placed on the bank’s 2021 performance because of the larger dollar volume small farm lending in relation to small farm lending in 2020.

Distribution by Borrower Income and Revenue Size of the Business:

Within this assessment area, the bank’s borrower distribution performance for HMDA is considered adequate, while small business and small farm lending are both good. Overall, borrower distribution performance is considered adequate for this assessment area. This conclusion reflects the greater weight place on the bank’s HMDA lending performance because of the larger dollar volume within assessment area during the evaluation period.

Distribution of HMDA Loans by Income Level of Borrower

Johnson City-Kingsport-Bristol, TN-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	11	2.7	875	1.1	865	7.2	81,010	3.4
Moderate	61	14.9	6,891	8.5	2,402	19.9	316,883	13.4
Middle	88	21.5	14,773	18.3	2,971	24.6	494,003	20.9
Upper	249	60.9	58,172	72.1	5,837	48.3	1,474,493	62.3
Total	409	100.0	80,711	100.0	12,075	100.0	2,366,389	100.0
Unknown	25		4,576		2,328		590,649	

Percentages (%) are calculated on all loans where incomes are known

During 2021, FBTC’s lending to low-income borrowers (2.7%) lagged the percentage of low-income families within the assessment area (19.6%), and the percentage of aggregate lending to such borrowers (7.2%). The bank’s lending to moderate-income borrowers (14.9%) also lagged both the percentage of moderate-income families within the assessment area (17.3%) and the percentage of aggregate lending to such borrowers (19.9%) but did not lag the demographic and aggregate data as much as the bank’s lending to low-income borrowers. The bank’s overall HMDA borrower distribution is considered adequate, and its performance during 2020 is similar. In reaching this conclusion, more weight was placed on the lending to moderate-income borrowers’ performance because of the larger dollar volume of such lending within the assessment area by the bank and aggregate lenders.

Distribution of Lending by Loan Amount and Size of Business

Johnson City-Kingsport-Bristol, TN-VA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	150	20.1	21,121	35.5	3,125	43.8	117,866	35.1
Over \$1 Million	17	2.3	7,004	11.8	NA	NA	NA	NA
Unknown	580	77.6	31,378	52.7	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	594	79.5	14,987	25.2	6,408	89.7	106,388	31.6
\$100,001-\$250,000	91	12.2	14,085	23.7	403	5.6	65,921	19.6
\$250,001-\$1 Million	62	8.3	30,431	51.1	329	4.7	163,938	48.8
Total	747	100.0	59,503	100.0	7,140	100.0	336,247	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Overall, the bank’s distribution by borrower revenue performance is considered good during 2021, and its performance during 2020 is similar. D&B data from 2021 indicates 91.5% of all local businesses have revenues of \$1 million or less per year. The percentage of the bank’s small business loans extended to businesses with revenues of \$1million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 77.6% of the loans). As previously noted, the bank was an active PPP lender during 2021 and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when the borrower revenues are known, the majority of the bank’s small business loans were to businesses with annual revenues of \$1 million or less (89.8%).

Aggregate small business data was also considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 43.8% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small businesses, the bank’s distribution by loan size was also considered. Overall, the bank originated 79.5% of its small business loans in amounts of \$100,000 or less, which lagged the aggregate reporter level of such lending (89.7%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue date were evaluated by loan size within the assessment area. The following table reflects this distribution.

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Johnson City-Kingsport-Bristol, TN-VA 2021				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	488	87.8%	\$10,724	40.1%
>\$100,000 to \$250,000	43	7.7%	\$6,295	23.5%
>\$250,000 to \$1,000,000	25	4.5%	\$9,754	36.4%
Total	556	100%	\$26,773	100%

Within the assessment area, a large majority (87.8%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area.

Distribution of Lending by Loan Amount and Size of Farm

Johnson City-Kingsport-Bristol, TN-VA (2021)								
<i>by Revenue</i>	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	46	21.9	4,524	69.6	201	45.9	8,534	68.2
Over \$1 Million	0	0.0	0	0.0	NA	NA	NA	NA
Unknown	164	78.1	1,979	30.4	NA	NA	NA	NA
<i>by Loan Size</i>	Bank				Aggregate*			
\$100,000 or less	194	92.4	3,014	46.3	409	93.4	6,533	52.2
\$100,001-\$250,000	12	5.7	2,059	31.7	23	5.3	3,900	31.2
\$250,001-\$500k (Farm)	4	1.9	1,430	22.0	6	1.3	2,073	16.6
Total	210	100.0	6,503	100.0	438	100.0	12,506	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Overall, the bank’s distribution by borrower revenue is considered good during 2021, and its 2020 performance is similar. D&B data from 2021 indicates that 94.7% of all local farms have revenues of \$1 million or less per year. As with small business loans, the percentage of the bank’s small farm loans extended to farms with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 78.1% of all loans). As previously noted, the bank was an active PPP lender during 2021, and large volumes of small farm loans were originated during 2021 for which borrower revenue is unknown. However, when the borrower revenues are known, all (100%) of the bank’s small farm loans were to businesses with annual revenues of \$1 million or less.

During 2021, 45.9% of all reported small farm loans were to farms with annual revenues of \$1 million or less. The remaining loans either had revenues exceeding \$1 million or the revenue was not known. The 2021 aggregate small farm loan data also includes a high level of unknown data due to the volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small farms, the bank’s distribution by loan size was also considered. Overall, the bank originated 92.4% of its small farm loans in amounts of \$100,000 or less, which approximated the aggregate reporter level of such lending (93.4%).

As an element of performance context, the bank’s PPP small farm loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

Distribution of PPP Small Farm Loans with Unknown Revenue by Loan Size

Johnson City-Kingsport-Bristol, TN-VA 2021				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	163	100%	\$1,875	100%
>\$100,000 to \$250,000	0	0%	\$0	0%
>\$250,000 to \$1,000,000	0	0%	\$0	0%
Total	163	100%	\$1,875	100%

Within the assessment area, all of the PPP small farm loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of the small farms in the assessment area.

Community Development Loans:

During the evaluation period, the bank made an adequate level of community development loans in relation to bank capacity and available opportunities. The following table summarizes the bank’s community development lending during the evaluation period. While the bank originated additional community development loans in this assessment area during the review period, such loans are required to be reported as HMDA, small business, or small farm loans and cannot also be counted as community development loans.

CRA Loan Purpose	#	\$ (000s)
Revitalization/Stabilization/Job Creation	1	\$1,893
Total	1	\$1,893

Community development lending opportunities are reasonably available within the Johnson City-Kingsport-Bristol, TN-VA assessment area. The bank faces no constraints relative to community development lending when considering its capacity and local competition.

INVESTMENT TEST

The institution’s level of responding to community development needs through its investment activities is rated Low Satisfactory for the Johnson City-Kingsport-Bristol, TN-VA assessment area. FBTC maintains an adequate level of qualified community development investments and grants, rarely in a leadership position. The bank exhibits adequate responsiveness to credit and community development needs but makes rare use of complex investments that support community development initiatives.

The following table summarizes FBTC’s qualified investments specifically benefiting this assessment area. These donations were made during the review period.

CRA Investment Purpose	#	\$
Donations	27	\$149,725

In addition, qualified investments previously described in the Institution section also benefit this assessment area.

SERVICE TEST

The bank's Service Test performance is considered Low Satisfactory within this assessment area. Systems for delivering banking services are reasonably accessible to all portions of the assessment area. Changes in branch locations generally have not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income areas and people. Business hours do not vary in a way that inconveniences low- and moderate-income areas and people. The bank and its employees provide an adequate level of community development services within the assessment area.

Retail Services:

Delivery systems are reasonably accessible to individuals and census tracts of varying income levels in the assessment area. Currently, the bank operates eight branches within the assessment area with one branch (12.5%) located in a moderate-income census tract. According to 2020 ACS demographic data, 22.2% of all area households and 24.2% of all area businesses are located in moderate-income census tracts.

ATMs are also available and, through a network, provide customers with 24-hour nationwide access. Bank by-mail and internet-based banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system. The institution also continues to offer no-cost checking products to individuals as well as low-cost checking to businesses within the community. These accounts can benefit all segments of the community, including low- and moderate-income individuals, small businesses, and small farms.

Changes in branch locations generally have not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income areas and people. In June 2021, the bank opened one branch and closed another branch located in middle-income census tracts within the assessment area.

Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. Branch offices are generally open until 5:00 p.m. Monday through Thursday and until 6:00 p.m. on Fridays. The bank offers lobby and drive thru hours on Saturdays as well.

Community Development Services:

The bank and its employees provide an adequate level of community development service activities that support local organizations whose operations benefit low- and moderate-income people and/or promote small business development. These activities included the following during the evaluation period.

Affordable Housing

Johnson City Housing Authority
Keystone Development Board
Eastern Eight Community Development Corporation

Economic Development

First Tennessee Development District
Northeast Tennessee Regional Economic Partnership

Services Targeted to Low- and Moderate-Income People

YWCA of Southwest Virginia

Based on information from an individual in the community that was contacted to discuss local needs and information included in the CRA evaluations of other institutions operating in this assessment area, community development opportunities are reasonably available. In addition, the bank has sufficient capacity to participate in such activities.

COMMONWEALTH OF VIRGINIA

CRA RATING FOR COMMONWEALTH OF VIRGINIA²: SATISFACTORY

The lending test is rated: LOW SATISFACTORY

The investment test is rated: LOW SATISFACTORY

The service test is rated: LOW SATISFACTORY

Major factors supporting the rating include:

- Lending levels reflect excellent responsiveness to credit needs within the bank's assessment areas located in Virginia.
- The bank's geographic distribution performance varies by product within its assessment areas in Virginia and is considered good overall.
- The bank's borrower distribution performance also varies by product within its assessment areas in Virginia and is considered adequate overall.
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and areas as well as very small businesses and farms.
- The bank funded an adequate level of community development loans in Virginia during the evaluation period. In addition, FBTC makes use of flexible lending practices to meet credit needs.
- The bank makes an adequate level of qualified community development investments and donations, particularly those not routinely provided by private investors, rarely in a leadership position. Overall, the bank makes occasional use of innovative and/or complex investments to support community development initiatives.
- The bank exhibits adequate responsiveness to credit and community development needs through its investment activity.
- Delivery systems and branch locations are reasonably accessible within the bank's assessment areas located in Virginia.
- Retail banking services do not vary in a way that inconveniences the bank's assessment areas, particularly low- and moderate-income areas and people.
- The bank's opening of branch locations has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income people and areas.
- The bank and its employees participated in an adequate level of community development services within its Virginia assessment areas during the evaluation period.

SCOPE OF EXAMINATION

Reported HMDA and CRA loans from calendar years 2020 and 2021 were analyzed to determine the bank's lending activity and geographic and borrower distribution performance. Qualified community development loans and services are also considered for activities since the previous evaluation (October 19, 2020). All qualified investments made during this same period and those outstanding as of the evaluation, regardless of when made, were also considered.

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

The bank delineates seven assessment areas in Virginia. On a combined basis, the Virginia assessment areas account for 61.8% of the bank’s combined 2020 and 2021 lending (dollar volume), 61.5% of branches, and 60.4% of deposit volume. Information about loan volume, branches, and deposits are included in **Appendix E** of this report. As noted in the preceding footnote, activity from the Virginia portion of the Johnson City-Kingsport-Bristol, TN-VA assessment area is not included in the bank’s Virginia statewide area.

Based upon relative size and concentration of banking activities, the following three assessment areas were identified as the bank's primary markets within Virginia and were reviewed utilizing the FFIEC's full-scope evaluation procedures.

- Harrisonburg-Staunton, VA
- Lynchburg, VA
- Blacksburg-Christiansburg-Radford, VA

The bank’s performance ratings within Virginia are based on its performance within these three assessment areas, as well as activities that take place at the statewide or institutional level. The remaining assessment areas, Norton City, VA NonMSA, Shenandoah, VA NonMSA, Wythe, VA NonMSA and Richmond, VA, were subject to limited review procedures and a determination was made as to whether the performance within the assessment areas exceed, consistent with, or below the state ratings. **Appendices A and B** include information about the evaluation’s scope and statewide ratings.

FBTC’s small farm lending was not evaluated from the Blacksburg-Christiansburg-Radford, VA assessment area because of the limited lending volume within the assessment area. The bank’s small farm lending was evaluated in its other Virginia assessment areas subject to full-scope evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN VIRGINIA

The bank operates 16 branches within seven assessment areas in the state. A majority of the assessment areas are located in the western portion of Virginia, with the exception of Richmond, VA, which is located in central Virginia. The bank’s 16 branch offices account for \$1.6 billion (60.4%) of its total deposit base. As of June 30, 2022, FBTC ranked 6th out of 51 institutions in deposit market share having 1% of the available FDIC insured deposits within the Virginia assessment areas.

According to 2015 ACS data, the bank's combined assessment areas within the Commonwealth of Virginia have a population of 1,745,213, including 425,245 families. A majority of the families are middle- and upper-income (62.3%), while low- and moderate-income families comprise 20% and 17.7% of the total, respectively. Within these assessment areas, the owner-occupancy rate equals 58.6%, and 9.4% of families live below the poverty level. The following table details the median family income data for FBTC’s assessment areas in Virginia during 2020 and 2021.

Assessment Area	Median Family Incomes	
	2020	2021
Harrisonburg, VA MSA	\$71,900	\$66,700
Staunton, VA MSA	\$71,400	\$71,200
Lynchburg, VA	\$72,400	\$73,700
Blacksburg-Christiansburg-Radford, VA MSA	\$70,200	\$73,400

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN VIRGINIA

In determining the overall statewide ratings, performance within the three assessment areas subject to full-scope review were generally weighted by the dollar volume of lending and strength of performance within the assessment areas. The statewide performance conclusions also include activities taking place within the statewide or larger regional area that includes Virginia.

LENDING TEST

Overall, the statewide lending test is rated Low Satisfactory. Within the Virginia assessment areas on a combined basis, FBTC's volume of lending activity reflects an excellent level of responsiveness to area credit needs. Overall, the bank's geographic and borrower distribution performances are considered good and adequate, respectively. Additionally, FBTC generally exhibits an adequate record of serving the credit needs of low-income individuals and areas, as well as very small businesses and farms. Additionally, the bank reported originating an adequate level of community development loans within the Commonwealth of Virginia.

Lending Activity:

Overall, lending activity is considered excellent and is responsive to the credit needs of the assessment areas. According to 2021 aggregate data, FBTC ranked 18th out of 508 reporters in HMDA lending with a 1.5% market share. According to 2021 aggregate loan data, the institution ranked 1st out of 129 reporters in small business/small farm lending volume with 14.9% market share. The market share rankings indicate that the bank is an active of HMDA and CRA originator within its assessment areas in Virginia. The bank's market share rankings are a driver in the Lending Activity conclusion.

FBTC's lending as measured by number and dollar volume within the Commonwealth (63.9% and 61.8%, respectively) approximates both the percentage of area branches within Virginia (61.5%) and the proportion of bank deposits (60.4%).

FBTC offers a broad range of financial products and services to meet the credit needs of its Virginia assessment areas. In addition, the bank offers loan products and participates in loan programs that have flexible criteria or are designed to meet specific credit needs that often benefit low- and moderate-income borrowers or aid in the revitalization or stabilization of low- and moderate-income and underserved middle-income census tracts. Examples of such programs were described in the discussion of the overall institution and include SBA and PPP loan products. While many of these loans have been reported by the bank as community development or HMDA loans, they are examples of FBTC using flexible lending products to meet credit needs within its assessment areas and larger statewide areas. FBTC makes use of innovative and/or flexible lending practices in serving assessment area credit needs.

Geographic and Borrower Distribution:

During 2020 and 2021, FBTC originated a larger dollar volume of HMDA loans (\$221.3 million) than small business (\$151.1 million) or small farm loans (\$52.6 million). Accordingly, the bank's HMDA performance has greater impact on the bank's geographic and borrower distribution performances than does the performance of small business and small farm lending.

Within FBTC's three full-scope assessment areas in Virginia, its HMDA and small business geographic distribution performances are good, while its small farm lending performance is excellent. The bank's overall statewide geographic distribution performance is considered good.

From a borrower distribution performance perspective, the bank's HMDA performance is considered adequate while its small business and small farm performances are considered good. Overall for Virginia, borrower distribution performance is considered adequate.

Community Development Loans:

During the evaluation period, the bank made an adequate level of community development loans in relation to bank capacity and opportunities available in Virginia. The following table summarizes the bank's community development lending during the evaluation period for all of the Virginia assessment areas.

CRA Loan Purpose	#	\$ (000s)
Revitalization/Stabilization/Job Creation	1	\$1,893
Total	1	\$1,893

Within the metropolitan assessment areas, community development lending opportunities are reasonably available, while opportunities are limited in the nonmetropolitan assessment areas. The bank faces no constraints relative to community development lending when considering its capacity and local economic conditions. While the bank originated additional community development loans in this assessment area during the review period, such loans are required to be reported as HMDA, small business, or small farm loans and cannot also be counted as community development loans.

INVESTMENT TEST

The institution's level of responding to community development needs through its investment activities is rated Low Satisfactory for the Commonwealth of Virginia. The following table summarizes FBTC's qualified investments specifically benefiting this assessment area. These donations were made during the review period.

CRA Investment Purpose	#	\$
CDFI Investments	1	\$4,000,000
Affordable Housing Loan Pool	1	\$1,822,048
Donations	32	\$22,990
Total		\$5,845,038

FBTC maintains an adequate level of qualified community development investments and grants, rarely in a leadership position. The bank exhibits adequate responsiveness to credit and community development needs but makes rare use of complex investments that support community development initiatives.

In addition, qualified investments previously described in the Institution section also benefit assessment areas in Virginia.

SERVICE TEST

FBTC's statewide performance for the Service Test is rated Low Satisfactory. Delivery systems are reasonably accessible to individuals and census tracts of varying income levels in the assessment area. Within Virginia, the bank operates 16 branches and none are located in low-income census tracts, while two (6.3%) are located in moderate-income census tracts. According to 2020 ACS demographic data, 23.4% of all area households and 19.6% of all area businesses are located in low- and moderate-income census tracts. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank by-mail and internet-based banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system.

Changes in branch locations generally have not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income areas and people. In January 2021, the bank opened one branch located in an upper-income census tract within the assessment areas located in Virginia.

Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. Branch offices are generally open until 5:00 p.m. Monday through Thursday and until 6:00 p.m. on Fridays. The bank offers lobby and drive thru hours on Saturdays as well.

The institution also continues to offer no-cost checking products to individuals as well as low-cost checking to businesses within the community. These accounts can benefit all segments of the community, including low- and moderate-income individuals, small businesses, and small farms.

The bank and its employees provide an adequate level of community development service activities that support local organizations whose operations benefit low- and moderate-income people and/or promote small business development. The following table summarizes FBTC's community development service activity within its Virginia assessment areas during the review period.

CRA Service Type	# Activities
Economic Development	12
Services Targeted to Low- and Moderate-Income People	2
Total	14

Additional information about specific activities within each assessment area is included in the corresponding assessment areas.

METROPOLITAN AREAS

(For metropolitan areas reviewed using full-scope review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN HARRISONBURG-STAUNTON, VA ASSESSMENT AREA

The Harrisonburg-Staunton, VA assessment area is located in western Virginia and includes all of the Harrisonburg, VA MSA (Rockingham County and the City of Harrisonburg) and all of the Staunton, VA MSA (Augusta County and the cities of Staunton and Waynesboro). Together these two contiguous MSAs comprise the entirety of the Harrisonburg-Staunton, VA CSA.

Within this assessment area, FBTC operates five full-service branches. As of June 30, 2022, FBTC ranked 4th out of 18 financial institutions in local deposit market share according to data compiled by the FDIC and held 10.7% of the assessment area’s deposits (credit union deposits are not included).

According to 2015 ACS data, the assessment area has a population of 248,569 and a median housing value of \$190,053. The assessment area owner-occupancy rate equals 58.6%, which exceeds the rate in the Harrisonburg, VA MSA (54.4%), but is less than the rate in the Staunton, VA MSA (62.7%) and the rate for the Commonwealth of Virginia (59.2%). The percentage of area families living below the poverty level in the assessment area (9.2%), is similar to the rates in the Harrisonburg, VA MSA (9.6%) and the Staunton, VA MSA (8.9%), but higher than the Commonwealth of Virginia’s rate (8.2%). The following table details area median family incomes.

Assessment Area	Median Family Incomes	
	2020	2021
Harrisonburg, VA MSA	\$71,900	\$66,700
Staunton, VA MSA	\$71,400	\$71,200

The following table shows pertinent demographic data for the assessment area.

Assessment Area Demographics

Harrisonburg-Staunton, VA								
<i>(Based on 2015 ACS Data and 2021 D&B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	3.7	465	0.8	236	50.8	11,864	19.2
Moderate	7	13.0	7,254	11.7	1,302	17.9	11,668	18.9
Middle	39	72.2	48,117	77.8	3,909	8.1	14,019	22.7
Upper	6	11.1	5,977	9.7	262	4.4	24,262	39.3
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	54	100.0	61,813	100.0	5,709	9.2	61,813	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	197	0.3	1,950	2.1	1,308	67.1	21,432	22.9
Moderate	5,908	9.6	12,180	13.0	2,981	24.5	15,952	17.0
Middle	49,633	80.3	71,138	76.0	8,462	11.9	17,723	18.9
Upper	6,093	9.9	8,334	8.9	648	7.8	38,495	41.1
NA	0	0.0	0	0.0	0	0.0		
Total	61,831	100.0	93,602	100.0	13,399	14.3	93,602	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	294	2.9	260	2.8	30	4.1	4	4.4
Moderate	1,323	13.2	1,219	13.2	85	11.7	19	20.9
Middle	7,267	72.5	6,689	72.6	515	70.8	63	69.2
Upper	1,144	11.4	1,042	11.3	97	13.3	5	5.5
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	10,028	100.0	9,210	100.0	727	100.0	91	100.0
Percentage of Total Businesses:				91.8		7.2		0.9
	Total Farms by Tract		Farms by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.1	1	0.1	0	0.0	0	0.0
Moderate	25	3.2	24	3.1	1	12.5	0	0.0
Middle	677	87.7	671	87.8	6	75.0	0	0.0
Upper	69	8.9	68	8.9	1	12.5	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	772	100.0	764	100.0	8	100.0	0	0.0
Percentage of Total Farms:				99.0		1.0		0.0

*NA-Tracts without household or family income as applicable

Employment opportunities within the assessment area primarily consist of area school systems and a diverse mix of healthcare, education, manufacturing, and retail. The area’s major employers include Augusta County School Board, Augusta Medical Center, James Madison University, Sentra Healthcare, Target Corporation, Harrisonburg City Public Schools, Wal-Mart and Rockingham County School Board. Recent and historical periodic unemployment rates are included in the following table.

Harrisonburg-Staunton, VA - Average Annual Unemployment Rates					
Area	2017	2018	2019	2020	2021
Augusta County, VA	3.37%	2.69%	2.42%	4.58%	3.06%
Rockingham County, VA	3.22%	2.64%	2.34%	4.68%	2.94%
Harrisonburg city, VA	4.36%	3.46%	3.20%	6.38%	4.04%
Staunton city, VA	3.54%	2.82%	2.66%	6.28%	3.81%
Waynesboro city, VA	3.96%	3.20%	2.85%	6.58%	4.13%
Harrisonburg, VA MSA	3.65%	2.95%	2.66%	5.31%	3.34%
Staunton, VA MSA	3.51%	2.80%	2.55%	5.28%	3.40%
Virginia	3.67%	2.95%	2.76%	6.20%	3.91%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Area unemployment rates peaked in 2020 due to the COVID-19 pandemic and have returned to near pre-pandemic levels in 2021. Area unemployment rates are similar to statewide unemployment rates in Virginia which suggests that the local economy is not significantly stronger or weaker than larger statewide areas.

A local economic development official was contacted during the evaluation to discuss local economic conditions and community needs. The contact stated that financial institutions have been active participants in supporting small business development. Although inflation has impacted spending, financial conditions have improved overall as unemployment rates have declined. The contact suggested that area financial institutions could support additional small business development by supporting organizations like the Harrisonburg Innovation Hub with funding and other technical assistance. Overall, the individual contacted indicated that area financial institutions are reasonably meeting area credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

Overall, the institution’s lending performance within the assessment area is considered adequate. This conclusion is based on the bank’s lending activity, geographic and borrower distribution performance, and its level of community development lending, while considering the bank’s marketing strategy, area demographic data, and aggregate loan data.

During 2020 and 2021, the bank originated \$69.1 million in HMDA, \$77.3 million in small business loans, and \$34.4 million in small farm loans. Based on relative lending volumes, the bank’s small business performance was given more weight when considering its overall performance within the assessment area.

Lending Activity:

Overall, FBTC’s level of lending activity is considered excellent. According to 2021 aggregate data, FBTC ranked 21st out of 340 reporters in HMDA lending with a 1% market share. According to 2021 aggregate loan data, the institution ranked 1st out of 82 reporters in small business/small farm lending volume with a 15.1% market share. The bank’s high market share rankings indicate that it is a significant lender within the assessment area. The bank’s market share rankings are a driver in the Lending Activity conclusion.

During 2020 and 2021, the bank reported 336 HMDA, 914 small business, and 534 small farm loans within this assessment area. The bank's lending activity within this assessment area during the evaluation period as measured by the number (20.8%) and dollar volume (20%) exceeds the percentage of local bank branches (19.2%) but is lower than the percentage of local deposits (23.3%) in the assessment area.

Geographic Distribution:

Overall, the bank's geographic distribution performance is considered adequate. From a product perspective, FBTC's geographic distribution performance is poor for HMDA and small business lending and excellent for small farm lending. When considering the bank's overall performance, the relative strength of each product was weighted by its dollar volume to arrive at the overall conclusion.

Distribution of HMDA Loans by Income Level of Census Tract

Harrisonburg-Staunton, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(57)				Home Purchase (5,299)			
Low	1	1.8	485	4.0	60	1.1	11,496	0.9
Moderate	5	8.8	681	5.7	684	12.9	146,108	11.6
Middle	47	82.5	9,878	82.4	3,879	73.2	904,991	72.0
Upper	4	6.9	938	7.9	676	12.8	194,511	15.5
	(70)				Refinance (6,186)			
Low	0	0.0	0	0.0	28	0.5	3,854	0.3
Moderate	6	8.6	1,105	7.5	636	10.3	117,180	9.3
Middle	58	82.9	12,595	85.2	4,762	77.0	955,677	76.0
Upper	6	8.5	1,090	7.3	760	12.2	180,925	14.4
	(0)				Home Improvement (469)			
Low	0	0.0	0	0.0	2	0.4	65	0.2
Moderate	0	0.0	0	0.0	35	7.5	2,042	6.1
Middle	0	0.0	0	0.0	371	79.1	26,845	79.9
Upper	0	0.0	0	0.0	61	13.0	4,660	13.8
	(1)				Multi-Family (35)			
Low	0	0.0	0	0.0	1	2.9	190	0.3
Moderate	0	0.0	0	0.0	6	17.1	14,224	25.3
Middle	1	100.0	265	100.0	25	71.4	33,221	59.0
Upper	0	0.0	0	0.0	3	8.6	8,630	15.4
	HMDA Totals							
Low	1	0.8	485	1.8	91	0.8	15,605	0.6
Moderate	11	8.6	1,786	6.6	1,361	11.4	279,554	10.7
Middle	106	82.8	22,738	84.1	9,037	75.4	1,920,734	73.7
Upper	10	7.8	2,028	7.5	1,500	12.4	388,726	15.0
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	128	100.0	27,037	100.0	11,989	100.0	2,604,619	100.0

NA*-Tracts without household or family income as applicable

During 2021, the majority of HMDA loans reported by FBTC and aggregate lenders were for refinances. Given the overall limited volume of home improvement and multi-family housing loans within the assessment area by both the bank and the aggregate reporters, FBTC's performance in these lending categories was given the least weight when considering its overall lending performance. Considering both demographic and aggregate proxies for demand, the bank's performance for its home purchase and refinance lending is considered good.

The assessment area includes two low-income census tracts, which limits demand for loans within such tracts. In 2021, the bank originated one loan (.8%) in a low income census tract which approximates the percentage of owner-occupied units (.3%) and the aggregate lending level (.8%) within low-income census tracts. The bank originated (8.6%) of its loans within area moderate-income census tracts which approximated the percentage of owner-occupied units (9.6%) but lagged the aggregate lending level (11.4%). Overall, the bank’s performance is adequate.

During 2020, FBTC reported 208 HMDA loans totaling \$42 million that were analyzed for lending performance. Of these loans, one loan (.5%) totaling \$375,000 (.9%) was reported in a low-income census tract which approximated the percentage of owner-occupied housing units (.3%) located in such areas and the aggregate lending level (.7%). FBTC also reported 10 loans (4.8%) totaling \$2.6 million (6.1%) in moderate-income census tracts which lagged both the percentage of owner-occupied housing units located in such areas (9.6%) and the aggregate lending level (10.3%). The bank’s performance during 2020 is considered poor. This conclusion reflects the greater weight placed on the bank’s moderate-income census tract lending performance given the larger comparative dollar volume of such lending by the bank and aggregate reporters.

Overall, the bank’s combined HMDA geographic lending distribution during 2020 and 2021 is considered poor. This conclusion reflects the greater weight placed on the bank’s performance during 2020 because of its larger dollar volume of lending in relation to 2021.

Distribution of Small Business Loans by Income Level of Census Tract

Harrisonburg-Staunton, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	10	2.4	1,048	2.9	114	2.5	5,371	3.0
Moderate	26	6.3	1,074	3.0	562	12.5	18,068	10.2
Middle	337	81.6	27,325	75.9	3,330	74.2	136,113	76.8
Upper	40	9.7	6,562	18.2	483	10.8	17,599	10.0
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	413	100.0	36,009	100.0	4,489	100.0	177,151	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

The bank’s level of small business lending in low-income census tracts (2.4%) approximated the percentage of business located in such areas (2.9%) and the aggregate level of lending (2.5%). FBTC’s level of lending in moderate-income census tracts (6.3%) significantly lagged both the percentage of businesses in such areas (13.2%) and the aggregate lending level (12.5%). Overall, the bank’s performance is considered poor, and its 2020 lending performance is similar.

Distribution of Small Farm Loans by Income Level of Census Tract

Harrisonburg-Staunton, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	% #	\$(000s)	% \$
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	29	8.3	1,205	7.1	35	6.8	1,869	8.6
Middle	296	85.1	14,014	82.7	439	84.9	17,120	78.8
Upper	23	6.6	1,725	10.2	43	8.3	2,748	12.6
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	348	100.0	16,944	100.0	517	100.0	21,737	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

In 2021, neither the bank nor aggregate lenders originated a small farm loan in a low-income census tract. D&B data from 2021 indicates that only 0.1% of all area farms are located in low-income tracts. FBTC’s level of small farm lending in moderate-income census tracts (8.3%) exceeded both the percentage of farms in such areas (3.2%) and the aggregate lending level (6.8%). The bank’s performance is considered excellent, and its performance during 2020 is similar.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's overall performance is considered good. From a product perspective, the bank's performance for HMDA and small farm lending is good, while its small business lending performance is adequate. In reaching the overall conclusion, greater weight was placed on the bank's HMDA and small farm lending performance given their combined larger dollar volume in comparison to the small business lending volume.

Distribution of HMDA Loans by Income Level of Borrower

Harrisonburg-Staunton, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	8	7.5	1,023	4.4	700	7.2	88,486	4.4
Moderate	32	30.2	5,757	24.6	2,373	24.6	389,268	19.2
Middle	23	21.7	4,772	20.4	2,712	28.1	536,662	26.5
Upper	43	40.6	11,836	50.6	3,875	40.1	1,014,416	49.9
Total	106	100.0	23,388	100.0	9,660	100.0	2,028,832	100.0
Unknown	22		3,649		2,329		575,787	

Percentages (%) are calculated on all loans where incomes are known

In 2021, the bank's level of lending to low-income borrowers (7.5%) lagged the percentage of low-income families within the assessment area (19.2%) but approximated the percentage of aggregate lending to such borrowers (7.2%). FBTC's lending to moderate-income borrowers (30.2%) exceeded both the percentage of moderate-income families (18.9%) and the percentage of the aggregate lending levels (24.6%). Overall, the bank's performance during 2021 is considered good, and its performance during 2020 is similar.

Distribution of Lending by Loan Amount and Size of Business

Harrisonburg-Staunton, VA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	125	30.3	11,479	31.9	2,441	54.0	61,547	34.7
Over \$1 Million	28	6.8	6,647	18.5	NA	NA	NA	NA
Unknown	260	62.9	17,883	49.6	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	311	75.3	9,282	25.8	4,136	91.6	62,510	35.2
\$100,001-\$250,000	68	16.5	10,528	29.2	227	5.0	37,020	20.9
\$250,001-\$1 Million	34	8.2	16,199	45.0	154	3.4	77,890	43.9
Total	413	100.0	36,009	100.0	4,517	100.0	177,420	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Overall, the bank's distribution by borrower revenue performance is considered adequate and its 2020 performance is similar. D&B data from 2021 indicates 91.8% of all local businesses have revenues of \$1 million or less per year. According to the bank's reported data, only 30.3% of its small business loans were to businesses with revenues of \$1 million or less per year. However, this percentage of the bank's lending was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 62.9% of the loans). As previously noted, the bank was an active PPP lender during 2021 and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when the borrower revenues are known, the majority of the bank's small business loans were to businesses with annual revenues of \$1 million or less (81.7%).

Aggregate small business data was also considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 54% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small businesses, the bank’s distribution by loan size was also considered. Overall, the bank originated 75.3% of its small business loans in amounts of \$100,000 or less, which lagged the aggregate reporter level of such lending (91.6%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue data were evaluated by loan size within the assessment area. The following table reflects this distribution.

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Harrisonburg-Staunton, VA 2021				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	199	80.2%	\$4,933	29.6%
>\$100,000 to \$250,000	30	12.1%	\$4,313	25.9%
>\$250,000 to \$1,000,000	19	7.7%	\$7,418	44.5%
Total	248	100%	\$16,664	100%

Within the assessment area, a large majority (80.2%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area.

Distribution of Lending by Loan Amount and Size of Farm

Harrisonburg-Staunton, VA (2021)								
<i>by Revenue</i>	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	125	35.9	9,808	57.9	216	41.6	11,700	53.8
Over \$1 Million	13	3.7	3,085	18.2	NA	NA	NA	NA
<i>Unknown</i>	210	60.4	4,051	23.9	NA	NA	NA	NA
<i>by Loan Size</i>	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	309	88.8	7,320	43.2	473	91.1	9,728	44.7
\$100,001-\$250,000	22	6.3	3,450	20.4	24	4.6	3,809	17.5
\$250,001-\$500k (Farm)	17	4.9	6,174	36.4	22	4.3	8,214	37.8
Total	348	100.0	16,944	100.0	519	100.0	21,751	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Overall, the bank’s distribution by borrower revenue is considered good and its 2020 performance is similar. D&B data from 2021 indicates that 99% of all local farms have revenues of \$1 million or less per year. As with small business loans, the percentage of the bank’s small farm loans extended to farms with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 60.4% of all loans). As previously noted, the bank was an active PPP lender during 2021 and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small farm loans were originated during 2021 for which borrower revenue is unknown. However, when the borrower revenues are known, 90.6% of the bank’s small farm loans were to businesses with annual revenues of \$1 million or less.

During 2021, 41.6% of all reported small farm loans were to farms with annual revenues of \$1 million or less for aggregate lenders. The remaining loans either had revenues exceeding \$1 million or the revenue was not known. The 2021 aggregate small farm loan data also includes a high level of unknown data due to the volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small farms, the bank’s distribution by loan size was also considered. Overall, the bank originated 88.8% of its small farm loans in amounts of \$100,000 or less, which approximates the aggregate reporter level of such lending (91.1%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

Distribution of PPP Small Farm Loans with Unknown Revenue by Loan Size

Harrisonburg-Staunton, VA 2021				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	208	100%	\$3,421	100%
>\$100,000 to \$250,000	0	0%	\$0	0%
>\$250,000 to \$1,000,000	0	0%	\$0	0%
Total	208	100%	\$3,421	100%

Within the assessment area, all of the PPP small farm loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of the small farms in the assessment area.

Community Development Lending:

FBTC’s community development lending performance is very poor as the bank did not originate any community development loans during the evaluation period in this assessment area. Community development lending activities are reasonably available in the assessment area, and the bank faces no constraints in extending community development loans within the assessment area when considering its capacity, market position, and business strategy. While the bank originated some community development loans in this assessment area during the review period, such loans are required to be reported as HMDA, small business, or small farm loans and cannot also be counted as community development loans.

INVESTMENT TEST

Within this assessment area, FBTC provided an adequate level of qualified community development investments and donations, particularly those not routinely provided by private investors, rarely in a leadership position. The following table summarizes FBTC’s qualified investments specifically benefiting this assessment area. These donations were made during the review period.

CRA Investment Purpose	#	\$
Donations	11	\$11,250

In addition, qualified investments previously described in the Institution section also benefit this assessment area.

SERVICE TEST

The bank's performance within the Harrisonburg-Staunton, VA assessment area is considered adequate overall. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. The bank and its employees provide an adequate level of community development services within the assessment area.

Retail Services:

Delivery systems are reasonably accessible to individuals and census tracts of varying income levels in the assessment area. Currently, the bank operates five branches within the assessment area, and all are located in middle-income census tracts. According to 2020 ACS demographic data, 17.3% of all area households and 14.2% of all area businesses are located in moderate-income census tracts. Three of the bank's branches are located in census tracts that are adjacent to moderate-income census tracts. There are no low-income census tracts in the assessment area.

ATMs are also available and, through a network, provide customers with 24-hour nationwide access. Bank by-mail and internet-based banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system. The institution also continues to offer no-cost checking products to individuals as well as low-cost checking to businesses within the community. These accounts can benefit all segments of the community, including low- and moderate-income individuals, small businesses, and small farms.

Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. Branch offices are generally open until 5:00 p.m. Monday through Thursday and until 6:00 p.m. on Fridays. The bank offers lobby and drive thru hours on Saturdays as well. FBTC did not open or close any branches in this assessment area during the evaluation period.

Community Development Services:

The bank and its employees provide an adequate level of community development service activities that support an organization focused on promoting small business development. These activities included the following during the evaluation period.

Economic Development

The Greater Augusta Regional Chamber of Commerce

Based on information from an individual in the community that was contacted to discuss local needs and information included in the CRA evaluations of other institutions operating in this assessment area, community development opportunities are reasonably available. In addition, the bank has sufficient capacity to participate in such activities.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN BLACKSBURG-CHRISTIANSBURG-RADFORD, VA ASSESSMENT AREA

The Blacksburg-Christiansburg-Radford, VA assessment area is located in southwestern Virginia and includes all of the counties of Montgomery and Pulaski and the City of Radford. Within this assessment area, FBTC operates three full-service branches. As of June 30, 2022, FBTC ranked 6th out of 13 financial institutions in local deposit market share according to data compiled by the FDIC and held 5% of the assessment area’s deposits.

According to 2015 ACS data, the assessment area has a population of 148,052 and a median housing value of \$173,079. The assessment area owner-occupancy rate equals 50.8%, which is lower than the rate in the Blacksburg-Christiansburg-Radford, VA MSA (52.6%) and for the Commonwealth of Virginia (59.2%). The percentage of area families living below the poverty level in the assessment area (9.5%), is higher than the rates in the Blacksburg-Christiansburg-Radford, VA MSA (9.2%) and the Commonwealth of Virginia’s rate (8.2%). Additionally, the median family income data for the assessment area in 2020 and 2021 was \$70,200 and 73,400, respectively. The following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Blacksburg-Christiansburg-Radford, VA (Based on 2015 ACS Data and 2021 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	5,807	18.6
Moderate	1	3.4	682	2.2	201	29.5	5,503	17.6
Middle	18	62.1	22,460	71.8	2,299	10.2	6,586	21.1
Upper	6	20.7	7,875	25.2	397	5.0	13,365	42.8
NA	4	13.8	244	0.8	57	23.4	0	0.0
Total	29	100.0	31,261	100.0	2,954	9.4	31,261	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	15,294	27.7
Moderate	414	1.3	2,379	4.3	1,479	62.2	7,140	12.9
Middle	23,186	72.7	37,661	68.1	7,042	18.7	9,457	17.1
Upper	8,074	25.3	14,050	25.4	2,705	19.3	23,404	42.3
NA	230	0.7	1,205	2.2	783	65.0		
Total	31,904	100.0	55,295	100.0	12,009	21.7	55,295	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	94	2.0	91	2.1	2	0.5	1	3.0
Middle	3,334	69.9	3,001	68.7	305	83.3	28	84.8
Upper	1,228	25.7	1,178	27.0	46	12.6	4	12.1
NA	113	2.4	100	2.3	13	3.6	0	0.0
Total	4,769	100.0	4,370	100.0	366	100.0	33	100.0
Percentage of Total Businesses:				91.6		7.7		0.7
	Total Farms by Tract		Farms by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	96	78.0	95	77.9	1	100.0	0	0.0
Upper	27	22.0	27	22.1	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	123	100.0	122	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.2		0.8		0.0

*NA-Tracts without household or family income as applicable

Employment opportunities within the assessment area primarily consist of major universities and a diverse mix of healthcare, education, manufacturing, and retail. Area major employers include Virginia Polytechnic Institute and State University, Volvo Group North America, Montgomery County School Board, Radford University, Carilion New River Valley Medical Center, BAE Systems (ordnance disposal), Moog (hydraulic and electronic control systems), Walmart, HCA Virginia Health System and Kroger. Recent and historical periodic unemployment rates are included in the following table.

Blacksburg-Christiansburg-Radford, VA - Average Annual Unemployment Rates					
Area	2017	2018	2019	2020	2021
Montgomery County, VA	3.72%	2.92%	2.77%	4.75%	2.96%
Pulaski County, VA	5.28%	3.42%	3.35%	7.84%	3.95%
Radford city, VA	4.88%	3.75%	3.52%	6.27%	4.06%
Blacksburg-Christiansburg, VA MSA	4.23%	3.14%	3.01%	5.66%	3.31%
Virginia	3.67%	2.95%	2.76%	6.20%	3.91%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Area unemployment rates were elevated in 2020 in large part because of the COVID-19 pandemic. Since then, area unemployment rates have declined to more of a historical norm. While the 2021 Montgomery County unemployment rate is materially lower than Virginia’s unemployment rate, the rates in Pulaski County and the City of Radford are similar to the statewide rate, which suggests that the strength of the local economy is similar to that of the overall state.

A local economic development official was contacted during the evaluation to discuss local economic conditions and community needs. The contact suggested that area financial institutions can provide additional small business development support, specifically financial counseling, within the assessment area. The contact indicated that area financial institutions are reasonably serving the banking needs of the community.

Discussions with the community contact and reviews of the performance evaluations of other financial institutions having a local presence indicated that community development opportunities are reasonably available within the bank's assessment area when considering performance context factors. The institution faces no significant constraints relative to its size and business strategy in making community development loans, investments, or supporting community services activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

The institution’s overall lending performance within this assessment area is considered good. This conclusion is based primarily on FBTC’s lending activity, its geographic and borrower performance, and its level of community development lending, while considering the bank’s market strategy, area demographic data, and aggregate loan data.

During 2020 and 2021, the bank originated \$60.9 million in HMDA, \$26.6 million in small business loans, and \$2.7 million in small farm loans. Based on relative lending volumes, the bank’s HMDA performance was given more weight when considering its overall performance within the assessment area. Because of its more limited volume, the geographic and borrower distribution performance of small farm loans was not considered in this assessment area.

Lending Activity:

Overall, FBTC’s level of lending activity is considered excellent. According to 2021 aggregate data, FBTC ranked 19th out of 271 reporters in HMDA lending with a 1.7% market share and ranked 2nd out of 68 reporters in small business and small farm lending with a 12.5% market share. The bank’s high market share rankings indicate that it is a significant lender within the assessment area, and its market share rankings are a driver in the Lending Activity conclusion.

During 2020 and 2021, the bank reported 258 HMDA, 374 small business, and 95 small farm loans within this assessment area. The bank’s lending activity within this assessment area during the evaluation period as measured by the number (8.4%) and dollar volume (10%) approximates the percentage of bank branches (11.5%) and exceeds the percentage of local deposits (7.6%).

Geographic Distribution:

Overall, the bank's geographic distribution performance is considered excellent. When considering the bank's performance by loan product, its HMDA geographic distribution performance is excellent, while its small business lending performance is good. Given the larger dollar volume of HMDA lending within the assessment area, the HMDA performance had a larger impact on the overall conclusion than the bank's small business performance.

While the bank's assessment area includes whole cities and counties, the assessment area does not include any low-income census tracts.

Distribution of HMDA Loans by Income Level of Census Tract

Blacksburg-Christiansburg-Radford, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(50)				Home Purchase (2,388)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	6.0	662	6.1	89	3.8	26,073	4.6
Middle	33	66.0	6,476	59.4	1,581	66.8	335,238	58.8
Upper	14	28.0	3,761	34.5	697	29.4	208,617	36.6
	(38)				Refinance (2,788)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	4	10.5	688	9.1	84	3.0	19,218	3.4
Middle	23	60.5	4,456	58.8	1,735	62.2	320,285	56.1
Upper	11	29.0	2,436	32.1	969	34.8	231,523	40.5
	(0)				Home Improvement (151)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	1	0.7	38	0.3
Middle	0	0.0	0	0.0	105	69.5	8,095	63.2
Upper	0	0.0	0	0.0	45	29.8	4,666	36.5
	(0)				Multi-Family (40)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	2	5.0	79,085	43.3
Middle	0	0.0	0	0.0	22	55.0	19,980	11.0
Upper	0	0.0	0	0.0	16	40.0	83,388	45.7
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	7	8.0	1,350	7.3	176	3.3	124,414	9.2
Middle	56	63.6	10,932	59.2	3,443	63.8	683,598	50.8
Upper	25	28.4	6,197	33.5	1,727	32.0	528,194	39.2
NA*	0	0.0	0	0.0	49	0.9	10,615	0.8
Total	88	100.0	18,479	100.0	5,395	100.0	1,346,821	100.0

NA*-Tracts without household or family income as applicable

During 2021, the majority of HMDA loans reported by FBTC were for home purchases. Conversely, the majority of loans reported by aggregate lenders were for refinances. In contrast, the overall limited volume of home improvement and multi-family housing loans within the assessment area by the aggregate reporters reflects a lower level of demand for such loans in the assessment area. Consequently, the absence of such lending by the bank does not negatively impact the bank's lending performance in the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for its home purchase and refinance lending is considered excellent.

During 2021, the bank reported 8% of its loans within moderate-income tracts which exceeded the number of owner-occupied housing units (1.3%) and the aggregate lending reported in such census tracts (3.3%). The bank’s performance is considered excellent, and its performance in 2020 is substantially similar. .

Distribution of Small Business Loans by Income Level of Census Tract

Blacksburg-Christiansburg-Radford, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	1.0	68	0.7	28	1.4	1,243	1.5
Middle	142	74.3	7,448	77.6	1,356	69.7	61,327	71.8
Upper	45	23.6	1,835	19.1	531	27.3	18,704	21.9
NA*	2	1.1	242	2.6	31	1.6	4,145	4.8
Total	191	100.0	9,593	100.0	1,946	100.0	85,419	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

In 2021, FBTC’s originated \$9.6 million in small business loans within the assessment area. Of these loans, the level of small business lending in moderate-income census tracts (1%) approximated both the percentage of businesses in such areas (2 %) and the aggregate lending level (1.4%). The bank’s performance in 2021 is considered adequate.

In 2020, the bank originated 183 small business loans totaling \$17 million. Of these loans, four (2.2%) totaling \$365,000 (2.1%) were in moderate-income census tracts which approximated both the percentage of businesses located in these tracts (1.8%) and the percentage of aggregate lending within such tracts (1.8%). The bank’s lending performance is considered good.

Overall, the bank’s performance is good. In reaching this conclusion, more weight was placed on the bank’s lending performance during 2020 because of the larger dollar volume of lending during that year when compared to 2021.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's overall borrower distribution performance is considered adequate within this assessment area. From a product perspective, the bank's HMDA lending performance is adequate, while its small business lending performance is good. As previously stated, the bank’s HMDA lending was given more weight when considering overall performance because of the larger dollar volume of HMDA lending in the assessment area during the evaluation period.

Distribution of HMDA Loans by Income Level of Borrower

Blacksburg-Christiansburg-Radford, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	2	2.7	213	1.3	319	7.3	36,897	3.9
Moderate	14	18.9	1,914	11.7	932	21.2	146,190	15.4
Middle	17	23.0	2,634	16.0	1,049	23.9	202,216	21.2
Upper	41	55.4	11,657	71.0	2,094	47.6	566,580	59.5
Total	74	100.0	16,418	100.0	4,394	100.0	951,883	100.0
Unknown	14		2,061		1,001		394,938	

Percentages (%) are calculated on all loans where incomes are known

In 2021, the bank’s level of lending to low-income borrowers (2.7%) significantly lagged both the percentage of low-income families within the assessment area (18.6%) and the percentage of aggregate lending to such borrowers (7.3%). FBTC’s lending to moderate-income borrowers (18.9%) approximated the percentage of moderate-income families (17.6%) and the aggregate lending level (21.2%) in the assessment area. Overall, the bank’s performance during 2021 is considered adequate, and its 2020 performance is substantially similar.

Distribution of Lending by Loan Amount and Size of Business

Blacksburg-Christiansburg-Radford, VA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	31	16.2	2,855	29.8	1,051	53.3	34,709	40.6
Over \$1 Million	7	3.7	968	10.1	NA	NA	NA	NA
Unknown	153	80.1	5,770	60.1	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	163	85.3	3,707	38.6	1,793	91.0	28,399	33.2
\$100,001-\$250,000	22	11.5	3,819	39.8	100	5.1	16,088	18.8
\$250,001-\$1 Million	6	3.2	2,067	21.6	78	3.9	41,088	48.0
Total	191	100.0	9,593	100.0	1,971	100.0	85,575	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Overall, the bank’s 2021 distribution by borrower revenue performance is considered good, and the bank’s performance during 2020 is similar. D&B data from 2021 indicates that 91.6% of all local businesses have revenues of \$1 million or less per year. The percentage of the bank’s small business loans extended to businesses with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 80.1% of all loans). As previously noted, the bank was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when the borrower revenues are known, a majority of the bank’s small business loans were to businesses with annual revenues of \$1 million or less (81.6%).

Aggregate small business data was also considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 53.3% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small businesses, the bank’s distribution by loan size was also considered. Overall, the bank originated 85.3% of its small business loans in amounts of \$100,000 or less, which is lower than the aggregate reporter level of such lending (91%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Blacksburg-Christiansburg-Radford, VA 2021				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	135	88.8%	\$2,744	48.0%
>\$100,000 to \$250,000	15	9.9%	\$2,382	41.6%
>\$250,000 to \$1,000,000	2	1.3%	\$594	10.4%
Total	152	100%	\$5,720	100%

Within the assessment area, a large majority (88.8%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area.

Community Development Lending:

During the evaluation period, the bank made an adequate level of community development loans in relation to bank capacity and available opportunities. The following table summarizes the bank’s community development lending during the evaluation period.

CRA Loan Purpose	#	\$ (000s)
Revitalization/Stabilization/Job Creation	1	\$1,684
Total	1	\$1,684

While the bank originated additional community development loans in this assessment area during the review period, such loans are required to be reported as HMDA, small business, or small farm loans and cannot also be counted as community development loans.

INVESTMENT TEST

Within this assessment area, FBTC provided an adequate level of qualified community development investments and donations, particularly those not routinely provided by private investors, rarely in a leadership position. The following table summarizes FBTC’s qualified investments specifically benefiting this assessment area. These donations were made during the review period.

CRA Investment Purpose	#	\$
Donations	3	\$6,450

In addition, qualified investments previously described in the Institution section also benefit this assessment area.

SERVICE TEST

The bank’s performance within the Blacksburg-Christiansburg-Radford, VA assessment area is considered adequate overall. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. The bank and its employees provide an adequate level of community development services within the assessment area.

Retail Services:

Delivery systems are reasonably accessible to individuals and census tracts of varying income levels in the assessment area. Currently, the bank operates three branches within the assessment area, and all are located in middle-income census tracts. According to 2020 ACS demographic data, 18% of all area households and 14% of all area businesses are located in moderate-income census tracts. Two of the bank's branches are located in census tracts that are near moderate-income census tracts.

ATMs are also available and, through a network, provide customers with 24-hour nationwide access. Bank by-mail and internet-based banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system. The institution also continues to offer no-cost checking products to individuals as well as low-cost checking to businesses within the community. These accounts can benefit all segments of the community, including low- and moderate-income individuals, small businesses, and small farms.

Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. Branch offices are generally open until 5:00 p.m. Monday through Thursday and until 6:00 p.m. on Fridays. The bank offers lobby and drive thru hours on Saturdays as well. FBTC did not open or close any branches in this assessment area during the evaluation period.

Community Development Services:

The bank and its employees provide an adequate level of community development service activities that support local organizations whose operations benefit low- and moderate-income people and/or promote small business development. These activities included the following during the evaluation period.

Economic Development

Blacksburg Partnership
Montgomery County Chamber of Commerce
Onward New River Valley
Pulaski County Economic Development Agency

Based on information from an individual in the community that was contacted to discuss local needs and information included in the CRA evaluations of other institutions operating in this assessment area, community development opportunities are reasonably available. In addition, the bank has sufficient capacity to participate in such activities.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LYNCHBURG, VA ASSESSMENT AREA

The Lynchburg, VA assessment area is located in western Virginia and includes all of the counties of Amherst, Bedford, Campbell, and all of the City of Lynchburg, Virginia. The bank's assessment area is a portion of the Lynchburg, VA MSA. Within this assessment area, FBTC operates one full-service branch.

As of June 30, 2022, FBTC ranked 10th out of 17 financial institutions in local deposit market share according to data compiled by the FDIC and held 2.2% of the assessment area's deposits.

According to 2015 ACS data, the assessment area has a population of 241,781 and a median housing value of \$163,797. Within the assessment area, the owner-occupancy rate equals 61.2%, which is similar to the rate for the Lynchburg, VA MSA (61.6%) and the Commonwealth of Virginia (59.2%). The percentage of area families living below the poverty level in the assessment area (10.8%) is similar to the rate in the Lynchburg, VA MSA (11%), but exceeds the Commonwealth of Virginia's rate (8.2%). The median family income for the Lynchburg, VA MSA equaled \$72,400 and \$73,700 during 2020 and 2021, respectively. The following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Lynchburg, VA (Based on 2015 ACS Data and 2021 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	1.8	1,214	2.0	499	41.1	12,730	20.6
Moderate	14	24.6	10,458	16.9	2,019	19.3	10,839	17.6
Middle	33	57.9	36,612	59.3	3,630	9.9	13,391	21.7
Upper	9	15.8	13,472	21.8	519	3.9	24,796	40.2
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	57	100.0	61,756	100.0	6,667	10.8	61,756	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	1,046	1.6	1,992	2.1	573	28.8	22,673	24.3
Moderate	8,589	13.1	18,473	19.8	4,301	23.3	14,952	16.0
Middle	40,890	62.5	54,643	58.5	7,767	14.2	16,858	18.0
Upper	14,889	22.8	18,304	19.6	1,331	7.3	38,929	41.7
NA	0	0.0	0	0.0	0	0.0		
Total	65,414	100.0	93,412	100.0	13,972	15.0	93,412	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	147	1.5	125	1.4	20	3.0	2	2.1
Moderate	2,057	21.3	1,864	20.9	181	27.6	12	12.4
Middle	5,208	53.9	4,821	54.1	330	50.3	57	58.8
Upper	2,254	23.3	2,103	23.6	125	19.1	26	26.8
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	9,666	100.0	8,913	100.0	656	100.0	97	100.0
	Percentage of Total Businesses:			92.2		6.8		1.0
	Total Farms by Tract		Farms by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.4	1	0.4	0	0.0	0	0.0
Moderate	14	5.2	13	4.9	1	50.0	0	0.0
Middle	212	78.2	209	78.3	1	50.0	2	100.0
Upper	44	16.2	44	16.5	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	271	100.0	267	100.0	2	100.0	2	100.0
	Percentage of Total Farms:			98.5		0.7		0.7

*NA-Tracts without household or family income as applicable

Employment opportunities within the assessment area exist in health care, education, retail, manufacturing, local government, and the area school system. Major employers include Liberty University, Centra Hospitals, Lynchburg City Schools, City of Lynchburg, J. Crew and BWX Technologies (nuclear engineering and manufacturing). Recent and historical periodic unemployment rates are included in the following table.

Lynchburg, VA - Average Annual Unemployment Rates					
Area	2017	2018	2019	2020	2021
Amherst County, VA	4.05%	3.26%	3.15%	5.55%	3.68%
Bedford County, VA	3.83%	3.03%	2.82%	5.07%	3.42%
Campbell County, VA	4.10%	3.35%	3.08%	5.82%	3.82%
Lynchburg city, VA	4.86%	3.97%	3.68%	7.24%	5.07%
Lynchburg, VA MSA	4.24%	3.44%	3.20%	5.96%	4.05%
Virginia	3.67%	2.95%	2.76%	6.20%	3.91%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Area unemployment rates peaked in 2020 due to the COVID-19 pandemic and have generally returned to near pre-pandemic levels in 2021. Recent area unemployment rates are similar to statewide unemployment rate but for Lynchburg City where the unemployment rate materially exceeds the statewide rate. Historically, the Lynchburg City unemployment rate has exceeded the statewide rate. Nonetheless, recent area unemployment rates suggest that the local economy is not significantly stronger or weaker than larger statewide areas.

A local economic development official was contacted during the evaluation to assist in evaluating the bank’s CRA performance. The contact noted the need for affordable housing and multifamily housing within the area. Additionally, the contact stated that the area would benefit from providing access to capital for small business entrepreneurship. Overall, financial institutions reasonably support the banking needs of the community.

Overall, discussions with the community contact and reviews of performance evaluations of other financial institutions having a local presence indicate that community development opportunities are reasonably available within the assessment area when considering performance context factors. The institution faces no significant constraints relative to its size or business strategy in making community development loans or investments or supporting community service activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

The institution’s overall lending performance within this assessment area is considered adequate. This conclusion is based primarily on FBTC’s lending activity, its geographic and borrower performance, and its level of community development lending, while taking into account the bank’s market strategy, area demographic data, and aggregate loan data.

During 2020 and 2021, the bank originated \$91.3 million in HMDA and \$47.3 million in small business loans, and \$15.5 million in small farm loans. Based on relative lending volumes, the bank’s HMDA performance was given more weight when considering its overall performance within the assessment area.

Within this assessment area, FBTC originated a large portion of the total number of small farm loans reported by the aggregate lenders. In these instances, FBTC's small farm lending has a substantive impact on the aggregate data. Because of this, the aggregate small farm lending data was considered including and excluding FBTC's reported small farm data when evaluating its small farm lending performance.

Lending Activity:

Overall, FBTC’s level of lending activity is considered excellent. According to 2021 aggregate data, FBTC ranked 17th out of 370 reporters in HMDA lending with a 1.4% market share. According to 2021 aggregate loan data, the institution ranked 3rd out of 86 reporters in small business/small farm lending volume with a 11.2% market share. The bank’s market share rankings are a driver in the Lending Activity conclusion.

During 2020 and 2021 the bank reported 400 HMDA, 667 small business loans, and 311 small farm loans within this assessment area. The bank's lending activity within this assessment area during the evaluation period as measured by the number (16%) and dollar volume (17.1%) exceeds the percentage of local deposits (5.3%) and bank branches (3.8%) in the assessment area.

Geographic Distribution:

Overall, the bank's geographic distribution performance is considered adequate. When considering the bank's performance by loan product, its geographic distribution performance is good for HMDA and small business lending but very poor for small farm lending. With only one low-income census tract in the assessment area, opportunities to lend in that census tract are limited in relation to the other moderate-, middle-, and upper-income census tracts.

Distribution of HMDA Loans by Income Level of Census Tract

Lynchburg, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(88)				(5,211)			
Low	3	3.4	249	1.3	96	1.8	9,633	0.8
Moderate	12	13.6	1,644	8.6	982	18.8	159,658	13.7
Middle	51	58.0	11,151	58.7	2,825	54.2	629,403	53.9
Upper	22	25.0	5,966	31.4	1,308	25.2	368,474	31.6
	(77)				(6,058)			
	Home Purchase				Refinance			
Low	0	0.0	0	0.0	38	0.6	3,725	0.3
Moderate	6	7.8	709	4.0	755	12.5	107,396	8.9
Middle	31	40.3	5,872	33.0	3,452	57.0	653,563	54.2
Upper	40	51.9	11,232	63.0	1,813	29.9	440,310	36.6
	(2)				(309)			
	Home Improvement				Multi-Family			
Low	1	50.0	110	59.5	5	1.6	445	1.2
Moderate	0	0.0	0	0.0	33	10.7	2,370	6.5
Middle	1	50.0	75	40.5	184	59.5	26,177	71.3
Upper	0	0.0	0	0.0	87	28.2	7,718	21.0
	(4)				(47)			
	Multi-Family				HMDA Totals			
Low	0	0.0	0	0.0	1	2.1	975	0.6
Moderate	2	50.0	748	32.3	13	27.7	11,334	6.7
Middle	0	0.0	0	0.0	23	48.9	101,503	60.0
Upper	2	50.0	1,568	67.7	10	21.3	55,272	32.7
Low	4	2.3	359	0.9	140	1.2	14,778	0.6
Moderate	20	11.7	3,101	7.9	1,783	15.3	280,758	10.9
Middle	83	48.5	17,098	43.5	6,484	55.8	1,410,646	54.7
Upper	64	37.5	18,766	47.7	3,218	27.7	871,774	33.8
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	171	100.0	39,324	100.0	11,625	100.0	2,577,956	100.0

NA*-Tracts without household or family income as applicable

During 2021, the majority of HMDA loans reported by FBTC and aggregate lenders were for home purchases and refinances. Given the limited volume of home improvement and multi-family lending within the assessment area by FBTC and the aggregate lenders, the performance of these loan types was given less weight than the bank's home purchase and refinance performance. Considering both demographic and aggregate proxies for demand, the bank's performance for its home purchase is considered good, refinance is considered adequate, while home improvement and multi-family lending performance is excellent.

During 2021, the bank's overall level of lending in low-income census tracts (2.3%) approximated the percentage of owner-occupied housing units located in such areas (1.6%) and aggregate lending level (1.2%). FBTC's level of lending in moderate-income census tracts (11.7%) lagged both the percentage of owner-occupied housing units located in such areas (13.1%), and the aggregate lending level (15.3%). The bank's performance during 2021 is considered adequate.

During 2020, FBTC reported 229 HMDA loans totaling \$52 million that were analyzed for lending performance. Of these loans, three (1.3%) totaling \$133,000 (.3%) were reported in low-income census tracts which approximated both the percentage of owner-occupied housing units located in such areas (1.6%) and the aggregate lending level (.7%). FBTC's also reported 27 loans (11.8%) totaling \$4.7 million (9.1%) in moderate-income census tracts which also approximated the percentage of owner-occupied housing units located in such areas (13.1%) and the aggregate lending level (13.6%). The bank's performance during 2020 is considered good.

Overall, the bank's combined HMDA geographic lending distribution during 2020 and 2021 is considered good. In reaching this conclusion, more weight was placed on the bank's performance during 2020 than its 2021 performance because of the larger dollar volume of lending during 2020.

Distribution of Small Business Loans by Income Level of Census Tract

Lynchburg, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	8	2.6	1,462	6.6	57	1.2	7,808	4.2
Moderate	50	16.3	2,900	13.2	886	19.1	34,547	18.8
Middle	162	52.8	12,403	56.4	2,467	53.2	98,435	53.5
Upper	87	28.3	5,220	23.8	1,225	26.5	43,038	23.5
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	307	100.0	21,985	100.0	4,635	100.0	183,828	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

In 2021, the bank's lending in low-income census tracts (2.6%) exceeded the percentage of businesses (1.5%) and aggregate lending (1.2%). However, FBTC's lending in moderate-income census tracts (16.3%) lagged both the percentage of businesses in such areas (21.3%) and the aggregate lending level (19.1%). Overall, the bank's performance is considered good, and its 2020 lending performance is similar. The bank's strong low-income census tract performance is a factor in the overall performance conclusion.

Distribution of Small Farm Loans by Income Level of Census Tract

Lynchburg, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	% #	\$(000s)	% \$
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	3	1.2	119	1.1	8	2.5	998	7.3
Middle	238	93.3	9,344	86.8	289	91.2	11,275	82.9
Upper	14	5.5	1,306	12.1	20	6.3	1,332	9.8
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	255	100.0	10,769	100.0	317	100.0	13,605	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

During 2021, neither the bank nor aggregate lenders originated any small farm loans within low-income census tracts. D&B data from 2021 indicates that only 0.4% of all area farms are located in low-income census tracts indicating a lower level of potential demand for farm loans in these census tracts. Within the moderate-income census tracts, the bank's lending (1.2%) lagged the percentage of farms (5.2%)

located in such areas and the aggregate lending level (2.5%). Because FBTC's small farm lending accounts for such a large portion (80.4%) of the aggregate data, the aggregate data was also considered after excluding FBTC's small farm activity. After excluding FBTC's small farm lending from the aggregate, 8.1% (5/62) of reported small farm loans were originated in moderate-income census tracts. The bank's 2021 performance is considered very poor, and its performance during 2020 is similar.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's overall borrower distribution performance is adequate within the Lynchburg, VA assessment area. From a product perspective, FBTC's HMDA performance is poor, while its small business and small farm performances are good. From a weighting perspective, the performance of HMDA lending weighed more but not significantly more than the bank's small business and small farm performance given that HMDA lending accounted for \$74 million, while small business and small farm lending accounted for \$62.8 within the assessment area.

Distribution of HMDA Loans by Income Level of Borrower

Lynchburg, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	HMDA Totals							
Low	1	0.7	97	0.3	954	10.0	111,507	5.7
Moderate	20	14.7	3,092	9.5	2,399	25.2	379,324	19.4
Middle	31	22.8	5,010	15.3	2,460	25.8	478,563	24.4
Upper	84	61.8	24,478	74.9	3,708	39.0	990,490	50.5
Total	136	100.0	32,677	100.0	9,521	100.0	1,959,884	100.0
Unknown	35		6,647		2,104		618,072	

Percentages (%) are calculated on all loans where incomes are known

In 2021, the bank's lending to low-income borrowers (.7%) lagged both the percentage of low-income families within the assessment area (20.6%) and the percentage of aggregate lending to such borrowers (10%). FBTC's lending to moderate-income borrowers (14.7%) also lagged both the percentage of moderate-income families (17.6%) and the percentage of the aggregate lending levels (25.2%). Overall, the bank's performance is considered poor, and its 2020 performance is similar.

Distribution of Lending by Loan Amount and Size of Business

Lynchburg, VA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	33	10.7	5,944	27.0	2,463	52.6	64,775	35.2
Over \$1 Million	7	2.3	2,929	13.3	NA	NA	NA	NA
Unknown	267	87.0	13,112	59.7	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	258	84.0	7,386	33.6	4,310	92.1	63,713	34.6
\$100,001-\$250,000	27	8.8	4,006	18.2	200	4.3	32,631	17.7
\$250,001-\$1 Million	22	7.2	10,593	48.2	169	3.6	87,798	47.7
Total	307	100.0	21,985	100.0	4,679	100.0	184,142	100.0

** No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues*

Overall, the bank's distribution by borrower revenue performance is considered good and the bank's performance in 2020 is similar. D&B data from 2021 indicates that 92.2% of all local businesses have revenues of \$1 million or less per year. The percentage of the bank's small business loans extended to businesses with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 87% of all loans). As previously noted, the bank was an active

PPP lender during 2021 and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when the borrower revenues are known, a majority of the bank’s small business loans were to businesses with annual revenues of \$1 million or less (82.5%).

Aggregate small business data was also considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 52.6% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small businesses, the bank’s distribution by loan size was also considered. Overall, the bank originated 84% of its small business loans in amounts of \$100,000 or less, which is lower than the aggregate reporter level of such lending (92.1%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Lynchburg, VA 2021				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	241	90.3%	\$6,846	52.2%
>\$100,000 to \$250,000	18	6.7%	\$2,553	19.5%
>\$250,000 to \$1,000,000	8	3.0%	\$3,713	28.3%
Total	267	100%	\$13,112	100%

Within the assessment area, a large majority (90.3%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area.

Distribution of Lending by Loan Amount and Size of Farm

Lynchburg, VA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	73	28.6	8,366	77.7	107	33.6	9,255	68.0
Over \$1 Million	2	0.8	175	1.6	NA	NA	NA	NA
Unknown	180	70.6	2,228	20.7	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	227	89.0	4,475	41.6	282	88.7	5,147	37.8
\$100,001-\$250,000	19	7.5	3,100	28.8	22	6.9	3,552	26.1
\$250,001-\$500k (Farm)	9	3.5	3,194	29.6	14	4.4	4,918	36.1
Total	255	100.0	10,769	100.0	318	100.0	13,617	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

The bank’s small farm loan borrower distribution performance is good during 2021, and its performance during 2020 is similar. D&B data from 2021 indicates that 98.5% of all local farms have revenues of \$1 million or less per year. As with small business loans, the percentage of the bank’s small farm loans extended to farms with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 70.6% of all loans). As previously noted, the bank was an

active PPP lender during 2021 and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small farm loans were originated during 2021 for which borrower revenue is unknown. However, when the borrower revenues are known, 97.3% of the bank’s small farm loans were to farms with annual revenues of \$1 million or less.

During 2021, 33.6% of all reported small farm loans were to farms with annual revenues of \$1 million or less. The remaining loans either had revenues exceeding \$1 million or the revenue was not known. The 2021 aggregate small farm loan data also includes a high level of unknown data due to the volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance. Because smaller dollar loans can demonstrate a willingness to provide credit to small farms, the bank’s distribution by loan size was also considered. Overall, the bank originated 89% of its small farm loans in amounts of \$100,000 or less, which approximated the aggregate reporter level of such lending (88.7%).

As an element of performance context, the bank’s PPP small farm loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

Distribution of PPP Small Farm Loans with Unknown Revenue by Loan Size

Lynchburg, VA 2021				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	180	100%	\$2,228	100%
>\$100,000 to \$250,000	0	0%	\$0	0%
>\$250,000 to \$1,000,000	0	0%	\$0	0%
Total	180	100%	\$2,228	100%

Within the assessment area, all of the PPP small farm loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of the small farms in the assessment area.

Community Development Lending:

FBTC’s community development lending performance is very poor as the bank did not originate any community development loans during the evaluation period in this assessment area. Community development lending activities are reasonably available in the assessment area, and the bank faces no constraints in extending community development loans within the assessment area when considering its capacity, market position, and business strategy. While the bank originated some community development loans in this assessment area during the review period, such loans are required to be reported as HMDA, small business, or small farm loans and cannot also be counted as community development loans.

INVESTMENT TEST

Within this assessment area, FBTC provided an adequate level of qualified community development investments and donations, particularly those not routinely provided by private investors, rarely in a leadership position. The following table summarizes FBTC’s qualified investments specifically benefiting this assessment area. These donations were made during the review period.

CRA Investment Purpose	#	\$
Donations	4	\$1,140

In addition, qualified investments previously described in the Institution section also benefit this assessment area.

SERVICE TEST

The bank's performance within the Lynchburg, VA assessment area is considered adequate overall. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. The bank and its employees provide an adequate level of community development services within the assessment area.

Retail Services:

Delivery systems are reasonably accessible to individuals and census tracts of varying income levels in the assessment area. Currently, the bank operates one branch in an upper-income census tract within the assessment area. According to 2020 ACS demographic data, 16.2% of all area households and 16.4% of all area businesses are located in low- and moderate-income census tracts. The bank's branch is located near a moderate-income census tract.

ATMs are also available and, through a network, provide customers with 24-hour nationwide access. Bank by-mail and internet-based banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system. The institution also continues to offer no-cost checking products to individuals as well as low-cost checking to businesses within the community. These accounts can benefit all segments of the community, including low- and moderate-income individuals, small businesses, and small farms.

Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. Branch offices are generally open until 5:00 p.m. Monday through Thursday and until 6:00 p.m. on Fridays. The bank offers lobby and drive thru hours on Saturdays as well. FBTC did not open or close any branches in this assessment area during the evaluation period.

Community Development Services:

The bank and its employees provide an adequate level of community development service activities that support an organization focused on promoting small business development. These activities included the following during the evaluation period.

Economic Development

Lynchburg Business Development Center

Based on information from an individual in the community that was contacted to discuss local needs and information included in the CRA evaluations of other institutions operating in this assessment area, community development opportunities are reasonably available. In addition, the bank has sufficient capacity to participate in such activities.

METROPOLITAN AREAS

(For metropolitan areas reviewed using limited-scope review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE RICHMOND, VA ASSESSMENT AREA

The Richmond, VA assessment area was reviewed using the limited review examination procedures. This assessment area includes all of Chesterfield, Hanover, and Henrico counties and the City of Richmond, VA. The assessment area has a population of 962,115. FBTC operates one branch with an ATM in the assessment area located in an upper-income census tract. This assessment is new as of 2021 following the bank’s opening of its branch in Hanover County, VA.

Richmond, VA Assessment Area Demographics					
<i>(Based on 2015 ACS data and 2021 D&B data)</i>					
Income Category	Tract Distribution		Percentage Families by Income	Percentage Families by Tract	Percentage of Area Businesses by Tract
	#	%			
Low	28	12.5%	20.1%	7.8%	6.2%
Moderate	49	21.9%	17.4%	18.3%	20.7%
Middle	74	33%	19.9%	36.2%	33.1%
Upper	71	31.7%	42.6%	37.7%	39.7%
NA	2	.9%	0%	<0.1%	.3%
Total	224	100%	100%	100%	100%
Median Family Income	NA (2020)		\$86,900 (2021)		
Area Businesses with Revenue of \$1 million or less					92.4%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment area-level data reviewed regarding the bank’s performance can be found in **APPENDIX C** of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. The conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the Virginia statewide ratings.

Assessment Area	Lending Test	Investment Test	Service Test
Richmond, VA	Consistent	Consistent	Below

NON-METROPOLITAN STATEWIDE AREA
(For nonmetropolitan areas reviewed using limited-scope review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NORTON CITY, VA NONMSA ASSESSMENT AREA

The Norton City, VA NonMSA assessment area was reviewed using the limited review examination procedures. This assessment area includes all of Russell and Wise counties, and the City of Norton, VA. The assessment area has a population of 72,782. FBTC operates four branches with ATMs in the assessment area. One branch is located in a moderate-income census tract, while the remaining three branches are located in middle-income census tracts.

Norton City, VA NonMSA Assessment Area Demographics (Based on 2015 ACS data and 2021 D&B data)					
Income Category	Tract Distribution		Percentage Families by Income	Percentage Families by Tract	Percentage of Area Businesses by Tract
	#	%			
Low	0	0%	25.5%	0%	0%
Moderate	7	36.8%	19.1%	35.7%	34.1%
Middle	11	57.9%	18.8%	58%	59.5%
Upper	1	5.3%	36.6%	6.3%	6.4%
NA	0	%	0%	0%	0%
Total	19	100%	100%	100%	100%
Median Family Income		\$58,100 (2020)		\$58,900 (2021)	
Area Businesses with Revenue of \$1 million or less					89.4%

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SHENANDOAH, VA NONMSA ASSESSMENT AREA

The Shenandoah, VA NonMSA assessment area was reviewed using the limited review examination procedures. This assessment area includes all of Shenandoah County, VA. The assessment area has a population of 42,724. FBTC operates one branch with an ATM in the assessment area located in a middle-income census tract.

Shenandoah, VA NonMSA Assessment Area Demographics (Based on 2015 ACS data and 2021 D&B data)					
Income Category	Tract Distribution		Percentage Families by Income	Percentage Families by Tract	Percentage of Area Businesses by Tract
	#	%			
Low	0	0%	14.6%	0%	0%
Moderate	0	0%	17.5%	0%	0%
Middle	5	55.6%	20.1%	54%	53.9%
Upper	4	44.4%	47.8%	46%	46.1%
NA	0	0%	0%	0%	0%
Total	9	100%	100%	100%	100%
Median Family Income		\$58,100 (2020)		\$58,900 (2021)	
Area Businesses with Revenue of \$1 million or less					94.5%

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE WYTHE COUNTY, VA
 NONMSA ASSESSMENT AREA**

The Wythe County, VA NonMSA assessment area was reviewed using the limited review examination procedures. This assessment area includes all of Wythe County, VA. The assessment area has a population of 29,190. FBTC operates one branch with an ATM in the assessment area located in a middle-income census tract.

Wythe, VA NonMSA Assessment Area Demographics (Based on 2015 ACS data and 2021 D&B data)					
Income Category	Tract Distribution		Percentage Families by Income	Percentage Families by Tract	Percentage of Area Businesses by Tract
	#	%			
Low	0	0%	18.6%	0%	0%
Moderate	0	0%	18.2%	0%	0%
Middle	6	100%	21.5%	100%	100%
Upper	0	0%	41.7%	0%	0%
NA	0	0%	0%	0%	0%
Total	6	100%	100%	100%	100%
Median Family Income		\$58,100 (2020)		\$58,900 (2021)	
Area Businesses with Revenue of \$1 million or less					92.2%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment area-level data reviewed regarding the bank’s performance can be found in **APPENDIX C** of this evaluation. Conclusions regarding performance, which did not impact the institution’s overall rating, are included in the following tables. For each test, the conclusion conveys whether performance in an assessment area was generally below, consistent with, or exceeded the institution's Virginia statewide ratings.

Assessment Area	Lending Test	Investment Test	Service Test
Norton City, VA NonMSA	Consistent	Consistent	Consistent
Shenandoah, VA NonMSA	Exceeds	Consistent	Consistent
Wythe, VA NonMSA	Consistent	Consistent	Consistent

NORTH CAROLINA

CRA RATING FOR North Carolina: Needs to Improve
The lending test is rated: Needs to Improve
The investment test is rated: Needs to Improve
The service test is rated: Needs to Improve

Major factors supporting the rating include:

- Lending levels reflect adequate responsiveness to assessment area credit needs within the bank's assessment area located in North Carolina.
- The bank's geographic distribution performance is considered poor overall.
- The bank's borrower distribution performance varies by product within its assessment area in North Carolina and is considered adequate overall.
- While there are no low-income census tracts within the bank's North Carolina assessment area, the bank exhibits a very poor record of serving the credit needs of low-income individuals and an adequate record of serving very small businesses and farms.
- The bank did not fund any community development loans in North Carolina during the evaluation period.
- A poor level of qualified community development investments and donations, particularly those not routinely provided by private investors, was noted in North Carolina. Overall, the bank makes rare use of innovative and/or complex investments to support community development initiatives.
- The bank exhibits poor responsiveness to credit and community development needs through its investment activity.
- Delivery systems and branch locations are reasonably accessible within the bank's assessment area located in North Carolina. Retail banking services do not vary in a way that inconveniences the bank's assessment areas, particularly low- and moderate-income areas and people.
- The bank's opening of a branch location has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income people and areas.
- The bank and its employees did not participate in any community development services within the bank's assessment area in North Carolina during the evaluation period.

SCOPE OF EXAMINATION

The bank has delineated two (Rocky Mount, NC and Fayetteville, NC) assessment areas in the State of North Carolina. Both are new since the prior evaluation. The Rocky Mount, NC assessment area was added in November 2021, and the Fayetteville, NC assessment area was added in November 2022. The Rocky Mount, NC assessment area was evaluated using the FFIEC's full-scope review procedures, and the Fayetteville, NC assessment was not evaluated because it did not exist during a majority of the review period. Consequently, ratings for the State of North Carolina are based solely on the bank's performance in the Rocky Mount, NC assessment area.

All reported HMDA and CRA loans from 2021 were analyzed to determine the bank's geographic and borrower distribution performance. The institution's efforts to serve its assessment area through qualified community development loans, investments, and services are also considered. Qualified community development loans and service activities since the previous evaluation (October 19, 2020) will be considered. All qualified investments made during this same period and those outstanding as of the evaluation, regardless of when made, were also considered.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTH CAROLINA

The Rocky Mount, NC assessment area is located in northeastern North Carolina and includes the entirety of Nash County. The assessment area is a portion of the larger Rocky Mount, NC MSA. FBTC operates one branch within the assessment area that was opened in November 2021. As of June 30, 2022, FBTC ranked 9th out of 10 financial institutions in local deposit market share according to data compiled by the Federal Deposit Insurance Corporation (FDIC) and held .2% of the assessment area's deposits.

According to ACS data from 2015, the assessment area has a population of 94,722 and a median housing value of \$118,664. The owner-occupancy rate for the assessment area equals 55.8%, which approximates the state's rate (55.7%) and the rate for the Rocky Mount, NC MSA (54%). Within the assessment area, 13.4% of families are considered below the poverty level, which exceeds the rate for the entire state (12.8%) but is lower than the rate for Rocky Mount, NC MSA (16.5%). The HUD estimated median family income for the Rocky Mount, NC MSA during 2021 equaled \$62,100. The following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Rocky Mount, NC (Based on 2015 ACS Data and 2021 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,518	18.9
Moderate	1	5.6	1,242	5.2	458	36.9	3,678	15.4
Middle	12	66.7	14,779	61.9	2,059	13.9	4,902	20.5
Upper	5	27.8	7,869	32.9	679	8.6	10,792	45.2
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	18	100.0	23,890	100.0	3,196	13.4	23,890	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	8,265	22.5
Moderate	644	2.7	1,891	5.2	552	29.2	5,489	15.0
Middle	14,477	61.3	24,169	65.8	4,540	18.8	6,210	16.9
Upper	8,511	36.0	10,651	29.0	1,346	12.6	16,747	45.6
NA	0	0.0	0	0.0	0	0.0		
Total	23,632	100.0	36,711	100.0	6,438	17.5	36,711	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	159	4.3	138	4.1	21	6.9	0	0.0
Middle	2,556	68.7	2,307	68.4	219	72.0	30	71.4
Upper	1,004	27.0	928	27.5	64	21.1	12	28.6
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	3,719	100.0	3,373	100.0	304	100.0	42	100.0
Percentage of Total Businesses:				90.7		8.2		1.1
	Total Farms by Tract		Farms by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	124	77.0	111	75.5	13	92.9	0	0.0
Upper	37	23.0	36	24.5	1	7.1	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	161	100.0	147	100.0	14	100.0	0	0.0
Percentage of Total Farms:				91.3		8.7		0.0

*NA-Tracts without household or family income as applicable

A variety of employment opportunities exist with the assessment area including opportunities in manufacturing, retail trade, health care, and food service. Major employers include Hospira (pharmaceutical manufacturing), Nash County Public Schools, Nash General Hospital, McCrane Mid-Atlantic (trucking), Wal-Mart, and local government. The following table shows recent unemployment statistics.

Rocky Mount, NC - Average Annual Unemployment Rates					
Area	2017	2018	2019	2020	2021
Nash County, NC	6.03%	5.16%	4.74%	8.04%	6.32%
Rocky Mount, NC MSA	6.59%	5.75%	5.10%	8.76%	7.04%
North Carolina	4.51%	4.01%	3.83%	7.08%	4.81%
<i>Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics</i>					

Area unemployment rates were elevated in 2020 in large part because of the COVID-19 pandemic. While area unemployment rates declined in 2021, the most recent local unemployment rate for Nash County remains elevated in comparison to the statewide rate. Persistently elevated unemployment rates in Nash County suggest that the assessment area’s local economy may not be as strong as the larger statewide economy.

A local economic development official was recently contacted to discuss area economic conditions and community credit needs. The contact noted that small business resources and support are especially important in low- and moderate- income areas. Similarly, funding for small businesses is vital for growth, innovation, and new job creation. The individual contacted suggested that area financial institutions are reasonably meeting community credit needs.

Discussions with the community contact and reviews of the performance evaluations of other financial institutions having a local presence indicated that community development opportunities are reasonably available within the bank's assessment area when considering performance context factors. The institution faces no significant constraints relative to its size and business strategy in making community development loans, investments, or supporting community services activities. However, the bank only recently (November 2021) entered this assessment area, which may be a factor in the bank’s limited participation in community development activities during the evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ROCKY MOUNT, NORTH CAROLINA ASSESSMENT AREA

LENDING TEST

The institution’s overall lending performance within the assessment area needs to improve. This conclusion is based primarily on FBTC’s lending activity, its geographic and borrower performance, and its level of community development lending, while taking into account the bank’s market strategy, area demographic data, and aggregate loan data.

During 2021, the bank originated \$1.1 million in HMDA, \$1.4 million in small business loans, and \$452,000 in small farm loans. Accordingly, FBTC's small business lending was given greater weight when evaluating overall performance.

Lending Activity:

Overall, FBTC’s level of lending activity is considered adequate. Although the bank’s lending volume is low, the bank entered the assessment area on November 15, 2021, so the lending activity is from an approximately 6-week period for a de novo branch. This short period of time is a performance context when considering the overall low volume of lending by the bank.

According to 2021 aggregate loan data, the institution ranked 44th out of 267 reporters in HMDA lending volume with a .1% market share. According to 2021 aggregate small business loan data, the institution ranked 21st out of 66 reporters in small business/farm lending volume with a .9% market share.

During 2021, the bank reported four HMDA, 11 small business, and six small farm loans within this assessment area. The bank's lending activity within this assessment area during the evaluation period as measured by the number (.2%) and dollar volume (.3%) is similar to the percentage of local deposits (.2%) and is lower than the bank branches (3.7%) in the assessment area.

Geographic Distribution:

The bank's geographic distribution performance is poor overall. From a product perspective, HMDA and small business performances are poor, while the small farm performance is adequate. Although the bank's assessment area includes an entire county, there are no low-income census tracts in the assessment area. In instances when the bank made no loans in the moderate-income census tract, the bank's performance was considered poor rather than very poor in recognition of the short period of time during which the bank has operated in the assessment area.

Distribution of HMDA Loans by Income Level of Census Tract

Rocky Mount, NC (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(2)				Home Purchase (1,751)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	24	1.4	3,082	0.8
Middle	1	50.0	78	12.5	1,131	64.6	226,067	60.4
Upper	1	50.0	548	87.5	596	34.0	145,054	38.8
	(1)				Refinance (1,810)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	15	0.8	1,908	0.6
Middle	0	0.0	0	0.0	980	54.1	153,993	49.3
Upper	1	100.0	206	100.0	815	45.1	156,221	50.1
	(0)				Home Improvement (115)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	3	2.6	82	1.0
Middle	0	0.0	0	0.0	69	60.0	4,984	59.8
Upper	0	0.0	0	0.0	43	37.4	3,275	39.2
	(1)				Multi-Family (10)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1	100.0	287	100.0	9	90.0	5,386	96.1
Upper	0	0.0	0	0.0	1	10.0	220	3.9
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	42	1.1	5,072	0.7
Middle	2	50.0	365	32.6	2,189	59.4	390,430	55.8
Upper	2	50.0	754	67.4	1,455	39.5	304,770	43.5
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	4	100.0	1,119	100.0	3,686	100.0	700,272	100.0

NA*-Tracts without household or family income as applicable

During 2021, the majority of HMDA loans reported by the aggregate lenders were for home purchases and refinances. The aggregate lending data indicates that there is a lower demand for home improvement and multifamily loans in the assessment area.

During 2021, FBTC did not originate any home purchase, refinance, home improvement, or multifamily loans in moderate-income census tracts, while 2.7% of all owner-occupied housing units are located in the moderate-income census tract and 1.1% of the aggregate’s lending level was in the moderate-income census tract. The bank’s performance is considered poor.

Distribution of Small Business Loans by Income Level of Census Tract

Rocky Mount, NC (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	113	6.2	6,060	7.7
Middle	5	45.5	177	12.4	1,189	65.1	48,251	61.4
Upper	6	54.5	1,248	87.6	524	28.7	24,214	30.9
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	11	100.0	1,425	100.0	1,826	100.0	78,525	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

Similar to its HMDA lending, the bank did not report any small business loans in the assessment area’s single moderate-income census tract. According to D&B data from 2021, 4.3% of all area businesses are located in the moderate-income census tract. Similarly, 6.2% of all aggregate reported small business loans were in the moderate-income census tract. The demographic and aggregate data indicate that there is some demand for small business lending in the moderate-income census tract. The bank’s performance is poor.

Distribution of Small Farm Loans by Income Level of Census Tract

Rocky Mount, NC (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	% #	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	1	1.2	22	0.4
Middle	0	0.0	0	0.0	60	71.4	3,834	74.5
Upper	6	100.0	452	100.0	23	27.4	1,289	25.1
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	6	100.0	452	100.0	84	100.0	5,145	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

Similar to its HMDA and small business lending, the bank did not report any small farm loans in the assessment area’s single moderate-income census tract. According to D&B data from 2021, there are no farms located in the moderate-income census tract, yet small farm aggregate data indicates that one loan (1.2%) was made in the moderate-income census tract. The bank’s performance is considered adequate given the limited demand for small farm loans in the moderate-income census tract. In arriving at the performance conclusion, the bank’s absence of small farm lending in middle-income census tracts in relation to aggregate reporters’ lending in such areas was considered as a performance factor.

Distribution by Borrower Income and Revenue Size of the Business:

FBTC’s overall borrower distribution performance is adequate. From a product perspective, the bank’s HMDA performance is poor, while its small business and small farm performance is adequate. When considering the overall conclusion more weight was placed on the bank’s small business and small farm lending performance because of the larger overall dollar volume of such lending in relation to the bank’s dollar volume of HMDA lending.

Distribution of HMDA Loans by Income Level of Borrower

Rocky Mount, NC (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	0	0.0	0	0.0	158	5.3	16,470	3.0
Moderate	0	0.0	0	0.0	562	18.9	80,696	14.6
Middle	0	0.0	0	0.0	901	30.3	156,940	28.4
Upper	2	100.0	754	100.0	1,355	45.5	299,293	54.0
Total	2	100.0	754	100.0	2,976	100.0	553,399	100.0
Unknown	2		365		710		146,873	

Percentages (%) are calculated on all loans where incomes are known

As indicated in the table above, the bank did not report any loans to low- or moderate-income borrowers during 2021 in this assessment area. However, demographic and aggregate data indicate that demand from such borrowers exists within the assessment area since 18.9% and 15.4% of area families are low- and moderate-income, respectively, and 5.3% and 18.9% of aggregate reported loans were to such borrowers. The bank’s performance is poor. In reaching this conclusion, the bank’s limited time in the assessment area was considered as an element of performance context.

Distribution of Lending by Loan Amount and Size of Business

Rocky Mount, NC (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	8	72.7	1,394	97.8	781	42.4	22,096	28.1
Over \$1 Million	0	0.0	0	0.0	NA	NA	NA	NA
Unknown	3	27.3	31	2.2	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	7	63.6	352	24.7	1,671	90.8	27,720	35.3
\$100,001-\$250,000	2	18.2	235	16.5	110	6.0	18,242	23.2
\$250,001-\$1 Million	2	18.2	838	58.8	60	3.2	32,618	41.5
Total	11	100.0	1,425	100.0	1,841	100.0	78,580	100.0

** No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues*

Overall, the bank’s distribution by borrower revenue performance is considered adequate. D&B data from 2021 indicates that 90.7% of all local businesses have revenues of \$1 million or less per year. The percentage of the bank’s small business loans extended to businesses with revenues of \$1 million or less was impacted by a material volume of loans for which borrower revenue was unknown (i.e. 27.3% of all loans) resulting from the bank’s PPP lending. However, when the borrower revenues are known, all of the bank’s small business loans were to businesses with annual revenues of \$1 million or less (100%).

Aggregate small business data was also considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 42.4% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small businesses, the bank’s distribution by loan size was also considered. Overall, the bank originated 63.6% of its small business loans in amounts of \$100,000 or less, which is lower than the aggregate reporter level of such lending (90.8%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Rocky Mount, NC 2021				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	3	100.0%	\$31	100.0%
>\$100,000 to \$250,000	0	0.0%	\$0	0.0%
>\$250,000 to \$1,000,000	0	0.0%	\$0	0.0%
Total	3	100%	\$31	100%

Within the assessment area, all of the PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area.

Distribution of Lending by Loan Amount and Size of Farm

Rocky Mount, NC (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	5	83.3	447	98.9	36	42.9	2,669	51.9
Over \$1 Million	0	0.0	0	0.0	NA	NA	NA	NA
Unknown	1	16.7	5	1.1	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	4	66.7	191	42.3	71	84.5	2,189	42.5
\$100,001-\$250,000	2	33.3	261	57.7	8	9.5	1,216	23.6
\$250,001-\$500k (Farm)	0	0.0	0	0.0	5	6.0	1,740	33.9
Total	6	100.0	452	100.0	84	100.0	5,145	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Overall, the bank’s distribution by borrower revenue performance is considered adequate. D&B data from 2021 indicates that 91.3% of all local farms have revenues of \$1 million or less per year. Aggregate small farm data was considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 42.9% of all reported small farm loans were to farms with annual revenues of \$1 million or less. The remaining portion of loans were to farms that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small farm loan data includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small farms, the bank’s distribution by loan size was also considered. Overall, the bank originated 66.7% of its small farm loans in amounts of \$100,000 or less, which is lower than the aggregate reporter level of such lending (84.5%).

Community Development Lending:

FBTC's community development lending performance is poor as the bank did not originate any community development loans in this assessment area after opening its bank branch in November 2021. Community development lending activities are reasonably available in the assessment area, and the bank faces no constraints in extending community development loans within the assessment area when considering its capacity, market position, and business strategy. To the extent that the bank originated any community development loans in this assessment area, such loans are required to be reported as HMDA, small business, or small farm loans and cannot also be counted as community development loans.

INVESTMENT TEST

Within this assessment area, FBTC provided a poor level of qualified community development investments and donations within this assessment area. Similarly, FBTC's exhibits poor responsiveness to assessment area credit and community development needs. The following table summarizes FBTC's qualified investments specifically benefiting this assessment area. These donations were made during the review period.

CRA Investment Purpose	#	\$
Donations	1	\$250

SERVICE TEST

The bank's performance within the Rocky Mount, NC assessment area is considered poor overall. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. However, the bank did not support or provide any community development service activities within the assessment area.

Retail Services:

Delivery systems are reasonably accessible to individuals and census tracts of varying income levels in the assessment area. Currently, the bank operates one branch within the assessment area located in an upper-income census tract. According to 2020 ACS demographic data, 15.8% of all area households and 15.7% of all area businesses are located in moderate-income census tracts. The bank branch is adjacent to the moderate-income census tract. There are no low-income census tracts within the assessment area.

ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank by-mail and internet-based banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system. The bank offers free and low-cost checking options which benefits the entire community but may be especially beneficial to low- and moderate-income people, small businesses, and small farms.

Changes in branch locations have not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income areas and people. In November 2021, the bank opened its only branch located in an upper-income census tract within the assessment area.

Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. Branch offices are generally open until 5:00 p.m. Monday through Thursday and until 6:00 p.m. on Fridays. The bank offers lobby and drive thru hours on Saturdays as well.

Community Development Services:

Within this assessment area, the bank did not support or provide any community development service activities since opening its branch in November 2021. Discussions with an individual knowledgeable of local economic conditions and the review of CRA performance evaluations of other financial institutions reveal that community development opportunities are reasonably available, and the bank has sufficient capacity to participate in such activities.

CRA APPENDIX A
SCOPE OF EXAMINATION

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED³	OTHER INFORMATION
Johnson City-Kingsport-Bristol, VA	Full-Scope	None	
Harrisonburg-Staunton, VA	Full-Scope	None	
Blacksburg-Christiansburg-Radford, VA	Full-Scope	None	Small farm lending was not evaluated in this assessment area
Lynchburg, VA	Full-Scope	None	
Rocky Mount, NC	Full-Scope	None	New assessment area as of November 2021
Norton City, VA NonMSA	Limited-Scope	None	
Wythe County, VA NonMSA	Limited-Scope	None	
Shenandoah, VA NonMSA	Limited-Scope	None	
Richmond, VA	Limited-Scope	None	New assessment area as of January 2021
Fayetteville, NC	Not Reviewed	None	New assessment area as of November 2022. Given the recency of this assessment area, it was not evaluated during this event.

³ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

CRA APPENDIX B

Summary of State and Multistate MSA Ratings

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall Rating
Johnson City-Kingsport-Bristol, TN-VA	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Commonwealth of Virginia	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
North Carolina	Needs to Improve	Needs to Improve	Needs to Improve	Needs to Improve

CRA APPENDIX C

LIMITED REVIEW TABLES

Norton City, VA NonMSA Assessment Area

LENDING TEST

Limited Review Lending Table

Norton City, VA (2021)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase				Home Improvement			
<i>Geographic</i>	(49)				(3)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	15	30.6	29.8	37.4	0	0.0	27.3	37.4
Middle	29	59.2	60.6	55.9	3	100.0	72.7	55.9
Upper	5	10.2	9.6	6.7	0	0.0	0.0	6.7
	Refinance				Multi-Family			
<i>Geographic</i>	(54)				(9)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	14	25.9	28.1	37.4	0	0.0	66.7	37.4
Middle	34	63.0	61.6	55.9	0	0.0	33.3	55.9
Upper	6	11.1	10.3	6.7	0	0.0	0.0	6.7
	HMDA Totals				Consumer			
<i>Geographic</i>	(196)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	29	27.4	29.1	37.4	NA	NA	NA	NA
Middle	66	62.3	61.3	55.9	NA	NA	NA	NA
Upper	11	10.4	9.6	6.7	NA	NA	NA	NA
<i>Borrower</i>	(95)				(NA)			
Low	9	9.5	8.3	25.5	NA	NA	NA	NA
Moderate	20	21.1	24.3	19.1	NA	NA	NA	NA
Middle	23	24.2	27.7	18.8	NA	NA	NA	NA
Upper	43	45.3	39.7	36.6	NA	NA	NA	NA
	Small Business				Small Farm			
<i>Geographic</i>	(224)				(220)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	84	37.5	39.3	34.1	76	34.5	35.5	34.2
Middle	131	58.5	56.0	59.6	144	65.5	64.2	61.6
Upper	9	4.0	4.7	6.4	0	0.0	0.4	4.1
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	57	25.4	41.6	89.4	47	21.4	27.6	100.0

Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known
Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known
NA represents no activity in the income category

No community development loans were originated in this assessment area.

INVESTMENT TEST

Specific to this assessment area, the bank made charitable donations totaling \$2,800 that support community development activities within the assessment area.

SERVICE TEST

The bank operates four branches within this assessment area, of which one is located in a moderate-income census tract and three are located in middle-income census tracts. No branches were opened or closed since the bank's previous evaluation. Banking services offered in this assessment area are substantially the same as services available to other communities that the bank serves. The bank participated in three community development service activities that specifically benefitted this assessment area.

Richmond, VA Assessment Area

LENDING TEST

Limited Review Lending Table

Richmond, VA (2021)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase				Home Improvement			
<i>Geographic</i>	(14)				(9)			
Low	1	7.1	5.6	4.5	0	0.0	3.0	4.5
Moderate	4	28.6	16.7	15.8	0	0.0	10.7	15.8
Middle	6	42.9	35.0	38.1	0	0.0	32.1	38.1
Upper	3	21.4	42.6	41.5	0	0.0	54.2	41.5
	Refinance				Multi-Family			
<i>Geographic</i>	(8)				(9)			
Low	0	0.0	3.1	4.5	0	0.0	25.4	4.5
Moderate	0	0.0	12.1	15.8	0	0.0	36.6	15.8
Middle	5	62.5	34.9	38.1	0	0.0	23.2	38.1
Upper	3	37.5	50.0	41.5	0	0.0	14.8	41.5
	HMDA Totals				Consumer			
<i>Geographic</i>	(22)				(NA)			
Low	1	4.5	4.1	4.5	NA	NA	NA	NA
Moderate	4	18.2	13.8	15.8	NA	NA	NA	NA
Middle	11	50.0	34.8	38.1	NA	NA	NA	NA
Upper	6	27.3	47.3	41.5	NA	NA	NA	NA
<i>Borrower</i>	(18)				(NA)			
Low	0	0.0	8.4	20.1	NA	NA	NA	NA
Moderate	5	27.8	23.8	17.4	NA	NA	NA	NA
Middle	2	11.1	25.6	19.9	NA	NA	NA	NA
Upper	11	61.1	42.2	42.7	NA	NA	NA	NA
	Small Business				Small Farm			
<i>Geographic</i>	(34)				(17)			
Low	2	5.9	5.4	6.2	0	0.0	0.0	2.7
Moderate	4	11.8	19.3	20.7	0	0.0	6.3	7.0
Middle	13	38.2	32.9	33.1	3	17.6	48.0	42.1
Upper	15	44.1	42.4	39.7	14	82.4	45.7	48.1
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	4	11.8	49.3	92.4	9	52.9	56.7	97.0

Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known

Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known

NA represents no activity in the income category

The bank originated one community development loan for \$1.4 million in this assessment area during the evaluation period.

INVESTMENT TEST

Investments benefiting this assessment area are limited to those previously discussed that benefit statewide and/or multistate areas.

SERVICE TEST

On January 13, 2021, the bank opened one branch in this assessment area within an upper-income census tract. Banking services offered in this assessment area are substantially the same as services available to other communities that the bank serves. The bank did not participate in any community development services within this assessment area.

Shenandoah, VA NonMSA Assessment Area

LENDING TEST

Limited Review Lending Table

Shenandoah, VA NonMSA (2021)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase				Home Improvement			
<i>Geographic</i>	(7)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	3	42.9	46.7	53.7	0	0.0	52.4	53.7
Upper	4	57.1	53.3	46.3	0	0.0	47.6	46.3
	Refinance				Multi-Family			
<i>Geographic</i>	(2)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	1	50.0	49.3	53.7	0	0.0	100.0	53.7
Upper	1	50.0	50.7	46.3	0	0.0	0.0	46.3
	HMDA Totals				Consumer			
<i>Geographic</i>	(9)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	4	44.4	48.2	53.7	NA	NA	NA	NA
Upper	5	55.6	51.8	46.3	NA	NA	NA	NA
<i>Borrower</i>	(8)				(NA)			
Low	1	12.5	3.0	14.6	NA	NA	NA	NA
Moderate	2	25.0	17.1	17.5	NA	NA	NA	NA
Middle	1	12.5	24.8	20.1	NA	NA	NA	NA
Upper	4	50.0	55.1	47.8	NA	NA	NA	NA
	Small Business				Small Farm			
<i>Geographic</i>	(20)				(53)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	16	80.0	50.0	53.9	28	52.8	52.4	64.8
Upper	4	20.0	50.0	46.1	25	47.2	47.6	35.2
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	1	5.0	60.3	94.5	16	30.2	29.1	99.5

Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known

Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known

NA represents no activity in the income category

The bank did not originate any community development loans within this assessment area during the evaluation period.

INVESTMENT TEST

Specific to this assessment area, the bank made charitable donations totaling \$200 that support community development activities within the assessment area.

SERVICE TEST

The bank operates one branch within this assessment area, which is located in a middle-income census tract. No branch offices have been opened or closed since the bank's previous evaluation. Banking services offered in this assessment area are substantially the same as services available to other communities that the bank serves. The bank participated in one community development service activities that specifically benefitted this assessment area.

Wythe County, VA NonMSA Assessment Area

LENDING TEST

Limited Review Lending Table

Wythe County, VA NonMSA (2021)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase				Home Improvement			
<i>Geographic</i>	(10)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	10	100.0	100.0	100.0	0	0.0	100.0	100.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	Refinance				Multi-Family			
<i>Geographic</i>	(15)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	15	100.0	100.0	100.0	0	0.0	100.0	100.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	HMDA Totals				Consumer			
<i>Geographic</i>	(25)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	25	100.0	100.0	100.0	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Borrower</i>	(22)				(NA)			
Low	1	4.5	5.5	18.6	NA	NA	NA	NA
Moderate	3	13.6	23.7	18.2	NA	NA	NA	NA
Middle	5	22.7	28.6	21.5	NA	NA	NA	NA
Upper	13	59.1	42.3	41.7	NA	NA	NA	NA
	Small Business				Small Farm			
<i>Geographic</i>	(62)				(54)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	62	100.0	100.0	100.0	54	100.0	100.0	100.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	13	21.0	58.1	92.2	11	20.4	55.2	100.0

*Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known
Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known
NA represents no activity in the income category*

The bank did not originate any community development loans within this assessment area during the evaluation period.

INVESTMENT TEST

Specific to this assessment area, the bank made charitable donations totaling \$1,150 that support community development activities within the assessment area.

SERVICE TEST

The bank operates one branch within this assessment area, which is located in a middle-income census tract. No branch offices have been opened or closed since the bank's previous evaluation. Banking services offered in this assessment area are substantially the same as services available to other communities that the bank serves. The bank participated in three community development service activities that specifically benefitted this assessment area.

CRA APPENDIX D

FULL-SCOPE REVIEW TABLES

**Johnson City-Kingsport-Bristol, TN-VA
Geographic Distribution Tables**

Distribution of HMDA Loans by Income Level of Census Tract

Johnson City-Kingsport-Bristol, TN-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(241)				(6,327)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	33	13.7	5,265	11.7	951	15.0	123,573	10.2
Middle	115	47.7	19,890	44.2	3,038	48.0	550,423	45.5
Upper	93	38.6	19,885	44.1	2,338	37.0	534,596	44.3
	(327)				(6,446)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	22	6.7	2,753	4.4	598	9.3	78,866	6.5
Middle	174	53.2	33,069	52.5	3,089	47.9	539,465	44.2
Upper	131	40.1	27,185	43.1	2,759	42.8	603,130	49.3
	(6)				(532)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	33.3	92	22.1	82	15.4	5,075	13.2
Middle	4	66.7	325	77.9	242	45.5	16,565	43.1
Upper	0	0.0	0	0.0	208	39.1	16,753	43.7
	(6)				(82)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	16.7	105	2.2	31	37.8	67,559	33.4
Middle	1	16.7	203	4.3	28	34.1	57,470	28.4
Upper	4	66.6	4,360	93.5	23	28.1	77,315	38.2
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	58	10.0	8,215	7.3	1,662	12.4	275,073	10.3
Middle	294	50.7	53,487	47.3	6,397	47.8	1,163,923	43.6
Upper	228	39.3	51,430	45.4	5,328	39.8	1,231,794	46.1
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	580	100.0	113,132	100.0	13,387	100.0	2,670,790	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Johnson City-Kingsport-Bristol, TN-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	173	16.5	12,010	16.6	1,291	18.5	90,140	19.7
Middle	494	47.1	31,658	43.7	3,179	45.5	196,455	42.9
Upper	381	36.4	28,707	39.7	2,524	36.0	171,620	37.4
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	1,048	100.0	72,375	100.0	6,994	100.0	458,215	100.0

*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

Distribution of Small Farm Loans by Income Level of Census Tract

Johnson City-Kingsport-Bristol, TN-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	% #	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	1.4	24	0.4	5	2.6	99	0.9
Middle	48	69.6	3,239	59.6	132	68.4	7,097	65.0
Upper	20	29.0	2,172	40.0	56	29.0	3,719	34.1
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	69	100.0	5,435	100.0	193	100.0	10,915	100.0

*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

**Johnson City-Kingsport-Bristol, TN-VA
Borrower Distribution Tables**

Distribution of HMDA Loans by Income Level of Borrower

Johnson City-Kingsport-Bristol, TN-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	21	3.9	1,774	1.7	665	5.9	55,152	2.6
Moderate	72	13.5	8,547	8.3	2,034	17.9	240,676	11.5
Middle	117	21.9	17,065	16.6	2,734	24.1	411,919	19.7
Upper	324	60.7	75,494	73.4	5,932	52.1	1,381,809	66.2
Total	534	100.0	102,880	100.0	11,365	100.0	2,089,556	100.0
Unknown	46		10,252		2,022		581,234	

Percentages (%) are calculated on all loans where incomes are known

Distribution of Lending by Loan Amount and Size of Business

Johnson City-Kingsport-Bristol, TN-VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	152	14.5	18,152	25.1	2,493	35.5	125,068	27.2
Over \$1 Million	25	2.4	4,602	6.4	NA	NA	NA	NA
Unknown	871	83.1	49,621	68.6	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	863	82.3	24,444	33.8	5,912	84.1	132,490	28.9
\$100,001-\$250,000	121	11.5	19,746	27.3	647	9.2	105,688	23.0
\$250,001-\$1 Million	64	6.2	28,185	38.9	467	6.7	220,908	48.1
Total	1,048	100.0	72,375	100.0	7,026	100.0	459,086	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Johnson City-Kingsport-Bristol, TN-VA 2020				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	737	86.2%	\$18,734	39.7%
>\$100,000 to \$250,000	79	9.2%	\$12,050	25.6%
>\$250,000 to \$1,000,000	39	4.6%	\$16,347	34.7%
Total	855	100%	\$47,131	100%

Distribution of Lending by Loan Amount and Size of Farm

Johnson City-Kingsport-Bristol, TN-VA (2020)								
<i>by Revenue</i>	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	49	71.0	3,748	69.0	138	71.1	8,236	75.3
Over \$1 Million	0	0.0	0	0.0	NA	NA	NA	NA
<i>Unknown</i>	20	29.0	1,687	31.0	NA	NA	NA	NA
<i>by Loan Size</i>	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	56	81.2	1,714	31.5	167	86.1	4,419	40.4
\$100,001-\$250,000	6	8.7	1,063	19.6	18	9.3	3,175	29.0
\$250,001-\$500k (Farm)	7	10.1	2,658	48.9	9	4.6	3,346	30.6
Total	69	100.0	5,435	100.0	194	100.0	10,940	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Distribution of PPP Small Farm Loans with Unknown Revenue by Loan Size

Johnson City-Kingsport-Bristol, TN-VA 2020				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	15	75.0%	\$533	31.6%
>\$100,000 to \$250,000	3	15.0%	\$430	25.5%
>\$250,000 to \$1,000,000	2	10.0%	\$724	42.9%
Total	20	100%	\$1,687	100%

**Harrisonburg-Staunton, VA
Geographic Distribution Tables**

Distribution of HMDA Loans by Income Level of Census Tract

Harrisonburg-Staunton, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(69)				(4,317)			
Low	0	0.0	0	0.0	33	0.8	5,043	0.5
Moderate	4	5.8	1,345	10.0	521	12.1	102,197	10.8
Middle	58	84.1	10,325	76.7	3,200	74.1	686,415	72.4
Upper	7	10.1	1,791	13.3	563	13.0	154,920	16.3
	(134)				(5,885)			
Low	0	0.0	0	0.0	31	0.5	6,762	0.6
Moderate	6	4.5	1,222	4.8	533	9.1	99,359	8.2
Middle	118	88.1	21,982	86.3	4,440	75.4	891,499	73.6
Upper	10	7.4	2,281	8.9	881	15.0	213,652	17.6
	(2)				(353)			
Low	0	0.0	0	0.0	3	0.8	399	1.6
Moderate	0	0.0	0	0.0	31	8.8	2,097	8.5
Middle	2	100.0	87	100.0	259	73.4	17,312	70.0
Upper	0	0.0	0	0.0	60	17.0	4,934	19.9
	(3)				(44)			
Low	1	33.3	375	12.4	4	9.1	1,337	1.2
Moderate	0	0.0	0	0.0	5	11.4	11,854	10.6
Middle	2	66.7	2,640	87.6	34	77.3	98,885	88.1
Upper	0	0.0	0	0.0	1	2.2	200	0.1
	HMDA Totals							
Low	1	0.5	375	0.9	71	0.7	13,541	0.6
Moderate	10	4.8	2,567	6.1	1,090	10.3	215,507	9.4
Middle	180	86.5	35,034	83.3	7,933	74.8	1,694,111	73.8
Upper	17	8.2	4,072	9.7	1,505	14.2	373,706	16.2
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	208	100.0	42,048	100.0	10,599	100.0	2,296,865	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Harrisonburg-Staunton, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	14	2.8	1,815	4.4	90	2.3	4,749	2.1
Moderate	31	6.2	1,613	3.9	527	13.5	30,767	13.4
Middle	395	78.8	31,986	77.5	2,826	72.2	168,538	73.2
Upper	61	12.2	5,854	14.2	469	12.0	26,276	11.3
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	501	100.0	41,268	100.0	3,912	100.0	230,330	100.0

*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

Distribution of Small Farm Loans by Income Level of Census Tract

Harrisonburg-Staunton, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%#	\$(000s)	% \$
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	23	12.4	1,621	9.3	29	9.7	2,503	10.7
Middle	142	76.3	13,359	76.4	238	79.3	17,371	74.5
Upper	21	11.3	2,505	14.3	33	11.0	3,451	14.8
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	186	100.0	17,485	100.0	300	100.0	23,325	100.0

*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

**Harrisonburg-Staunton, VA
Borrower Distribution Tables**

Distribution of HMDA Loans by Income Level of Borrower

Harrisonburg-Staunton, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	14	8.0	1,525	4.5	668	7.8	79,510	4.5
Moderate	41	23.4	6,257	18.6	2,261	26.2	361,639	20.7
Middle	35	20.0	6,428	19.1	2,328	27.0	455,580	26.1
Upper	85	48.6	19,458	57.8	3,362	39.0	851,465	48.7
Total	175	100.0	33,668	100.0	8,619	100.0	1,748,194	100.0
Unknown	33		8,380		1,981		548,911	

Percentages (%) are calculated on all loans where incomes are known

Distribution of Lending by Loan Amount and Size of Business

Harrisonburg-Staunton, VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	131	26.1	11,968	29.0	1,594	40.5	66,631	28.8
Over \$1 Million	26	5.2	5,953	14.4	NA	NA	NA	NA
Unknown	344	68.7	23,347	56.6	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	380	75.8	12,854	31.1	3,419	86.8	75,175	32.5
\$100,001-\$250,000	85	17.0	13,818	33.5	304	7.7	49,930	21.6
\$250,001-\$1 Million	36	7.2	14,596	35.4	217	5.5	106,216	45.9
Total	501	100.0	41,268	100.0	3,940	100.0	231,321	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Harrisonburg-Staunton, VA 2020				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	272	80.0%	\$8,484	37.0%
>\$100,000 to \$250,000	50	14.7%	\$7,672	33.4%
>\$250,000 to \$1,000,000	18	5.3%	\$6,800	29.6%
Total	340	100%	\$22,956	100%

Distribution of Lending by Loan Amount and Size of Farm

Harrisonburg-Staunton, VA (2020)								
<i>by Revenue</i>	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	134	72.0	13,942	79.7	178	59.1	16,125	69.1
Over \$1 Million	11	5.9	2,436	13.9	NA	NA	NA	NA
<i>Unknown</i>	41	22.1	1,107	6.4	NA	NA	NA	NA
<i>by Loan Size</i>								
\$100,000 or less	139	74.7	4,997	28.6	240	79.7	7,296	31.3
\$100,001-\$250,000	24	12.9	4,024	23.0	33	11.0	5,504	23.6
\$250,001-\$500k (Farm)	23	12.4	8,464	48.4	28	9.3	10,534	45.1
Total	186	100.0	17,485	100.0	301	100.0	23,334	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Distribution of PPP Small Farm Loans with Unknown Revenue by Loan Size

Harrisonburg-Staunton, VA 2020				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	37	94.9%	\$813	78.6%
>\$100,000 to \$250,000	2	5.1%	\$221	21.4%
>\$250,000 to \$1,000,000	0	0.0%	\$0	0.0%
Total	39	100%	\$1,034	100%

**Blacksburg-Christiansburg-Radford, VA
Geographic Distribution Tables**

Distribution of HMDA Loans by Income Level of Census Tract

Blacksburg-Christiansburg-Radford, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(77)				(2,280)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	2.6	311	1.8	63	2.8	15,432	3.1
Middle	46	59.7	9,371	53.6	1,526	67.7	297,059	60.5
Upper	29	37.7	7,789	44.6	666	29.5	178,744	36.4
	(90)				(2,996)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	8	8.9	1,665	7.4	90	3.0	21,361	3.2
Middle	38	42.2	8,434	37.3	1,677	56.0	336,120	50.3
Upper	44	48.9	12,482	55.3	1,229	41.0	310,656	46.5
	(0)				(120)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	1	0.8	44	0.5
Middle	0	0.0	0	0.0	79	65.8	5,737	62.7
Upper	0	0.0	0	0.0	40	33.4	3,373	36.8
	(1)				(61)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	100.0	2,010	100.0	2	3.3	5,110	4.2
Middle	0	0.0	0	0.0	39	63.9	50,141	41.1
Upper	0	0.0	0	0.0	20	32.8	66,731	54.7
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	11	6.5	3,986	9.4	156	2.8	41,947	3.2
Middle	84	49.4	17,805	42.0	3,321	60.5	689,057	52.9
Upper	73	42.9	20,271	47.8	1,955	35.6	559,504	42.9
NA*	2	1.2	371	0.8	61	1.1	12,563	1.0
Total	170	100.0	42,433	100.0	5,493	100.0	1,303,071	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Blacksburg-Christiansburg-Radford, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	4	2.2	365	2.1	33	1.8	1,278	1.1
Middle	124	67.8	12,569	74.0	1,320	71.4	85,898	76.1
Upper	52	28.4	3,652	21.5	465	25.1	22,578	20.0
NA*	3	1.6	405	2.4	31	1.7	3,092	2.8
Total	183	100.0	16,991	100.0	1,849	100.0	112,846	100.0

*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

**Blacksburg-Christiansburg-Radford, VA
Borrower Distribution Tables**

Distribution of HMDA Loans by Income Level of Borrower

Blacksburg-Christiansburg-Radford, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	HMDA Totals							
Low	8	5.1	1,050	2.8	288	6.4	31,318	3.2
Moderate	16	10.3	2,523	6.8	810	17.9	123,187	12.6
Middle	26	16.7	5,390	14.6	1,070	23.7	198,912	20.4
Upper	106	67.9	28,046	75.8	2,355	52.0	622,394	63.8
Total	156	100.0	37,009	100.0	4,523	100.0	975,811	100.0
Unknown	14		5,424		970		327,260	

Percentages (%) are calculated on all loans where incomes are known

Distribution of Lending by Loan Amount and Size of Business

Blacksburg-Christiansburg-Radford, VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	23	12.6	4,859	28.6	878	46.9	37,341	32.8
Over \$1 Million	10	5.5	935	5.5	NA	NA	NA	NA
Unknown	150	81.9	11,197	65.9	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	135	73.8	4,415	26.0	1,593	85.1	34,381	30.2
\$100,001-\$250,000	34	18.6	5,551	32.7	166	8.9	25,599	22.5
\$250,001-\$1 Million	14	7.6	7,025	41.3	113	6.0	53,886	47.3
Total	183	100.0	16,991	100.0	1,872	100.0	113,866	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Blacksburg-Christiansburg-Radford, VA 2020				
Loan Size	#	%	\$(000s)	%
\$100,000 or less	117	78.0%	\$3,570	31.9%
>\$100,000 to \$250,000	26	17.3%	\$4,073	36.4%
>\$250,000 to \$1,000,000	7	4.7%	\$3,554	31.7%
Total	150	100%	\$11,197	100%

Lynchburg, VA
Geographic Distribution Tables

Distribution of HMDA Loans by Income Level of Census Tract

Lynchburg, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(108)				(4,677)			
Low	3	2.8	133	0.6	50	1.1	4,339	0.4
Moderate	18	16.7	2,698	12.9	847	18.1	119,771	12.4
Middle	54	50.0	8,976	43.0	2,533	54.2	524,549	54.3
Upper	33	30.5	9,077	43.5	1,247	26.6	317,150	32.9
	(114)				(5,407)			
Low	0	0.0	0	0.0	23	0.4	2,196	0.2
Moderate	7	6.1	1,111	3.9	523	9.7	76,841	6.9
Middle	49	43.0	11,989	42.4	3,037	56.2	605,361	54.1
Upper	58	50.9	15,209	53.7	1,824	33.7	433,775	38.8
	(3)				(298)			
Low	0	0.0	0	0.0	1	0.3	49	0.2
Moderate	0	0.0	0	0.0	33	11.1	1,877	8.3
Middle	2	66.7	120	56.6	182	61.1	13,982	61.6
Upper	1	33.3	92	43.4	82	27.5	6,786	29.9
	(4)				(59)			
Low	0	0.0	0	0.0	2	3.4	349	0.2
Moderate	2	50.0	919	35.1	21	35.6	60,008	38.4
Middle	2	50.0	1,700	64.9	28	47.5	59,121	37.8
Upper	0	0.0	0	0.0	8	13.5	36,814	23.6
	HMDA Totals							
Low	3	1.3	133	0.3	76	0.7	6,933	0.3
Moderate	27	11.8	4,728	9.1	1,424	13.6	258,497	11.4
Middle	107	46.7	22,785	43.8	5,780	55.4	1,203,013	53.2
Upper	92	40.2	24,378	46.8	3,161	30.3	794,525	35.1
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	229	100.0	52,024	100.0	10,441	100.0	2,262,968	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Lynchburg, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	5	1.4	621	2.5	52	1.3	5,280	2.3
Moderate	72	20.0	4,170	16.5	830	20.9	63,220	27.9
Middle	165	45.8	12,642	50.0	2,035	51.3	107,008	47.1
Upper	118	32.8	7,840	31.0	1,053	26.5	51,463	22.7
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	360	100.0	25,273	100.0	3,970	100.0	226,971	100.0

*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

**Lynchburg, VA
Borrower Distribution Tables**

Distribution of HMDA Loans by Income Level of Borrower

Lynchburg, VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	HMDA Totals							
Low	4	2.0	322	0.7	957	10.9	106,977	6.0
Moderate	34	17.3	4,723	10.3	1,973	22.5	303,102	17.1
Middle	43	21.9	8,824	19.3	2,160	24.6	403,658	22.8
Upper	115	58.8	31,778	69.7	3,673	42.0	960,014	54.1
Total	196	100.0	45,647	100.0	8,763	100.0	1,773,751	100.0
Unknown	33		6,377		1,678		489,217	

Percentages (%) are calculated on all loans where incomes are known

Distribution of Lending by Loan Amount and Size of Business

Lynchburg, VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	49	13.6	6,419	25.4	1,775	44.4	71,558	31.4
Over \$1 Million	10	2.8	1,649	6.5	NA	NA	NA	NA
Unknown	301	83.6	17,205	68.1	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	293	81.4	8,186	32.4	3,513	87.8	71,914	31.5
\$100,001-\$250,000	44	12.2	6,823	27.0	266	6.6	42,574	18.7
\$250,001-\$1 Million	23	6.4	10,264	40.6	222	5.6	113,528	49.8
Total	360	100.0	25,273	100.0	4,001	100.0	228,016	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Lynchburg, VA 2020				
Loan Size	#	%	\$(000s)	%
\$100,000 or less	260	86.7%	\$6,874	42.0%
>\$100,000 to \$250,000	28	9.3%	\$4,174	25.5%
>\$250,000 to \$1,000,000	12	4.0%	\$5,307	32.4%
Total	300	100%	\$16,355	100%

Distribution of Lending by Loan Amount and Size of Farm

Lynchburg, VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	47	83.9	4,219	88.9	74	63.8	4,787	63.4
Over \$1 Million	2	3.6	325	6.8	NA	NA	NA	NA
Unknown	7	12.5	202	4.3	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	40	71.4	1,668	35.1	94	81.0	2,932	38.8
\$100,001-\$250,000	13	23.2	1,990	41.9	16	13.8	2,528	33.5
\$250,001-\$500k (Farm)	3	5.4	1,088	23.0	6	5.2	2,095	27.7
Total	56	100.0	4,746	100.0	116	100.0	7,555	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Distribution of PPP Small Farm Loans with Unknown Revenue by Loan Size

Lynchburg, VA 2020				
Loan Size	#	%	\$(000s)	%
\$100,000 or less	6	86%	\$98	49%
>\$100,000 to \$250,000	1	14%	\$104	51%
>\$250,000 to \$1,000,000	0	0%	\$0	0%
Total	7	100%	\$202	100%

CRA APPENDIX E

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices as well as loan and deposit volume in each assessment area. Branch information is current as of the evaluation date, and loan volume includes all HMDA, small business, and small farm loans considered in the evaluation. Deposit volume includes all bank deposits and is current as of June 30, 2022, considered in the evaluation.

Assessment Area	HMDA/CRA Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Johnson City-Kingsport-Bristol, TN-VA	3,088	35.8%	\$ 342,235	37.9%	8	30.8%	\$1,020,991	39.3%
Harrisonburg-Staunton, VA	1,794	20.8%	\$ 180,791	20.0%	5	19.2%	\$ 605,550	23.3%
Blacksburg-Christiansburg-Radford, VA	727	8.4%	\$ 90,181	10.0%	3	11.5%	\$ 197,261	7.6%
Lynchburg, VA	1,378	16.0%	\$ 154,121	17.1%	1	3.8%	\$ 137,916	5.3%
Norton City, VA NonMSA	1,114	12.9%	\$ 79,130	8.8%	4	15.4%	\$ 474,390	18.3%
Wythe County, VA NonMSA	273	3.2%	\$ 24,830	2.7%	1	3.8%	\$ 128,513	4.9%
Shenandoah, VA NonMSA	146	1.7%	\$ 15,785	1.7%	1	3.8%	\$ 8,499	0.3%
Richmond, VA *	73	0.8%	\$ 13,296	1.5%	1	3.8%	\$ 17,617	0.7%
Rocky Mount, NC*	21	0.2%	\$ 2,996	0.3%	1	3.8%	\$ 6,421	0.2%
Fayetteville, NC**	NA	NA	NA	NA	1	3.8%	NA	NA
Total	8,614	100%	\$ 903,365	100%	26	100%	\$2,597,158	100%

* New assessment areas as of 2021

** Assessment area not evaluated due to the branch opening in 2022

CRA APPENDIX F

The following tables reflect the current composition of the bank’s ten delineated assessment areas.

Multistate Metropolitan Assessment Area			
Assessment Area Name	City/County	State	Census Tracts Included
Johnson City-Kingsport-Bristol, TN-VA	Sullivan County	TN	All
	Washington County	TN	All
	Washington County	VA	All
	Bristol City	VA	All

Commonwealth of Virginia Assessment Areas			
Assessment Area Name	City/County	State	Census Tracts Included
Harrisonburg-Staunton, VA	Augusta County	VA	All
	Rockingham County	VA	All
	Harrisonburg City	VA	All
	Staunton City	VA	All
	Waynesboro City	VA	All
Lynchburg, VA	Amherst County	VA	All
	Bedford County	VA	All
	Campbell County	VA	All
	Lynchburg City	VA	All
Blacksburg-Christiansburg-Radford, VA	Montgomery County	VA	All
	Pulaski County	VA	All
	Radford City	VA	All
Norton City, VA NonMSA	Russell County	VA	All
	Wise County	VA	All
	Norton City	VA	All
Wythe County, VA NonMSA	Wythe County	VA	All
Shenandoah, VA NonMSA	Shenandoah County	VA	All
Richmond, VA	Chesterfield County	VA	All
	Hanover County	VA	All
	Henrico County	VA	All
	Richmond City	VA	All

North Carolina Assessment Areas			
Assessment Area Name	City/County	State	Census Tracts Included
Fayetteville, NC	Harnett County	NC	All
Rocky Mount, NC	Nash County	NC	All

CRA APPENDIX G

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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - (A) Rates of poverty, unemployment, and population loss; or
 - (B) Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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