



PUBLIC DISCLOSURE

August 1, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

New Peoples Bank, Inc.

Honaker, 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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53 Commerce Drive

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P. O. Box 27622

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TABLE OF CONTENTS

	Page
Institution Rating	
Institution's CRA Rating	2
Summary of Major Factors Supporting Rating.....	2
Institution	
Scope of Examination	2
Description of Institution	3
Conclusions with Respect to Performance Tests Overall	4
Multistate Metropolitan Area	
Multistate Metropolitan Area Rating	7
Scope of Examination	7
Description of Institution's Operations in Kingsport-Bristol-Bristol, TN-VA Assessment Area	7
Conclusions with Respect to Performance Tests	9
Commonwealth of Virginia	
Commonwealth of Virginia Rating.....	15
Scope of Examination	15
Description of Institution's Operations in Russell, VA NonMSA Assessment Area.....	15
Conclusions with Respect to Performance Tests	17
State of West Virginia	
State of West Virginia Rating	22
Scope of Examination	22
Description of Institution's Operations in Mercer, WV NonMSA Assessment Area	22
Conclusions with Respect to Performance Tests	24
Appendices	
CRA Appendix A: Scope of Examination	28
CRA Appendix B: Summary of State and Multistate Metropolitan Area Ratings	29
CRA Appendix C: Full-Scope Review Tables	30
CRA Appendix D: Loan, Branch, and Deposit Volume by Assessment Area	39
CRA Appendix E: Assessment Area Composition.....	40
CRA Appendix F: Glossary	41

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

INSTITUTION'S CRA RATING: This institution is rated: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable given bank capacity and the demand for credit within its assessment areas.
- A majority of the institution's Home Mortgage Disclosure Act (HMDA), small business, and small farm loans considered in the evaluation were originated in the bank's assessment areas.
- The bank's borrower distribution performance is considered reasonable overall.
- While the bank's geographic distribution varies within its assessment areas, it is considered reasonable overall.
- The bank's responsiveness to the community development needs of its assessment areas through qualified loans, investments, and services is considered excellent.
- There have been no complaints regarding the bank's Community Reinvestment Act (CRA) performance since the previous CRA evaluation.

SCOPE OF EXAMINATION

New Peoples Bank, Inc. (NPB) was evaluated using the interagency examination procedures for intermediate small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with these procedures, residential mortgage loan originations and purchases reported in accordance with the HMDA during calendar years 2019, 2020, and 2021 were reviewed. Additionally, small business and small farm lending are primary product lines and were also considered in the evaluation. Because NPB optionally collects and reports data on its small business and small farm lending (CRA data), the universe of loans originated during 2019 and 2020 were included in the analysis. While the bank has reported its 2021 CRA data, that data is not included in this analysis because the 2021 aggregate data is not yet available. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2021 is an important performance context factor needed to evaluate the bank's lending performance.

During 2019 and 2020, the bank reported originating 190 small farm loans totaling \$10.4 million within its assessment areas. All of these small farm loans were extended within the Russell, VA NonMSA and Kingsport-Bristol-Bristol, TN-VA assessment areas and none were extended in the Mercer, WV NonMSA assessment area.

Qualified community development loans and services were considered since the previous evaluation (July 22, 2019). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered. To help determine the availability of community development opportunities in the assessment areas, the CRA public evaluations of other financial institutions within the assessment areas were reviewed. Additionally, members of the community were contacted to discern information about local economic conditions and credit needs, performance of banks in the assessment areas, and potential community development opportunities.

Because of relative size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied to all three of the bank’s assessment areas:

- Kingsport-Bristol-Bristol, TN-VA
- Russell, VA NonMSA
- Mercer, WV NonMSA

Appendix D includes information detailing loan volume, the number of branches, and the volume of deposits by assessment area.

An overall rating and ratings for the Lending and Community Development Tests are assigned to the institution, the multistate assessment area (as the institution has branches in the Virginia and Tennessee portions of the Metropolitan Statistical Area [MSA]), the Commonwealth of Virginia, and the State of West Virginia. The Virginia rating is based solely upon the performance in the Russell, VA NonMSA assessment area, while the West Virginia rating is based solely upon the performance in the Mercer, WV NonMSA assessment area.

DESCRIPTION OF INSTITUTION

NPB is headquartered in Honaker, Virginia, and operates 20 branch offices in southwest Virginia, northeast Tennessee, and southwest West Virginia. The institution is a subsidiary of New Peoples Bankshares, Incorporated, also headquartered in Honaker, Virginia. NPB received a Satisfactory rating at its prior CRA evaluation dated July 22, 2019. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As of June 30, 2022, the bank held assets totaling \$846.7 million, of which 68.4% were net loans and 11.9% were securities. As of the same date, deposits totaled \$708.3 million. Various deposit and loan products are available through the institution for residential mortgage, commercial, and consumer purposes. The composition of the loan portfolio using gross loans as of June 30, 2022, is represented in the following table.

Composition of Loan Portfolio

Loan Type	6/30/2022	
	\$(000s)	%
Secured by 1-4 Family dwellings	223,784	38.2
Multifamily	37,611	6.4
Construction and Development	37,690	6.4
Commercial & Industrial/ NonFarm NonResidential	242,977	41.5
Consumer Loans and Credit Cards	19,561	3.3
Agricultural Loans/ Farmland	21,678	3.7
All Other	2,392	0.4
Total	585,693	100.0

As indicated in the preceding table, NPB is an active residential mortgage and commercial/small business lender. The bank offers other loans, such as consumer loans; however, the volume of such lending is comparatively small. Despite the small dollar amount of loans outstanding, NPB’s small farm lending is heavily concentrated and is an important credit product in two of the bank's assessment areas.

In April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP). This program was designed to provide direct incentive for small businesses, allow workforces to remain employed, and promote economic stability during the Coronavirus (COVID-19) pandemic. Since the PPP was established, NPB has originated 1,235 loans totaling approximately \$69.8 million. NPB’s origination of PPP loans is an example of the bank being responsive to area credit needs.

NPB serves three assessment areas, including one multistate assessment area that includes localities in both the State of Tennessee and the Commonwealth of Virginia. The second assessment area is in nonmetropolitan (NonMSA) areas in southwestern Virginia. The bank also operates in a third assessment area that consists of a NonMSA county in the State of West Virginia. Three branch offices were opened (September 2020, September 2021, and October 2021) and one loan production office was closed (October 2020) in a moderate-income geography within the Kingsport-Bristol-Bristol-TN-VA assessment area. Additionally, one branch office was closed (April 2021) and one relocated (October 2020) in a middle-income geography in the same assessment area. Finally, one branch office was closed in a middle-income geography in the Russell, VA NonMSA assessment area in April 2021. None of this activity changed the bank's existing assessment area delineations. **Appendix E** contains a table reflecting the current composition of the bank's assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS OVERALL:

Reported residential mortgage loan data from calendar years 2019, 2020, and 2021, as well as optionally reported small business and small farm loan data from calendar years 2019 and 2020 were considered in this evaluation. While American Community Survey (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 ACS data that is updated once every five years. As such, when evaluating the bank's performance, relevant area demographic data from the 2015 ACS and Dun and Bradstreet (D&B) business data from 2019 and 2020 was used.

Aggregate loan data is used as a proxy for demand when evaluating the bank's HMDA lending performance and includes all activity reported by lenders subject to reporting HMDA data within the bank's assessment areas. Similarly, aggregate small business and small farm loan data includes all lenders subject to reporting such data. Because the bank optionally reports its small business and small farm loan data, its loans are included in the aggregate data.

During 2020, the bank was an active participant in the SBA's Payroll Protection Program. Consistent with data collection and reporting requirements of the program, financial institutions were not required to collect or report borrower revenue information for PPP loans. As PPP loans are included in bank and aggregate loan data with a mixture of known and unknown revenues, examiners evaluated 2020 small business borrower distribution performance using loan size as a proxy for loans with revenues not available. Borrower distribution performance conclusions for the bank's 2020 small business lending considered the institution's percentage of small business loans in amounts of \$100,000 or less, with a higher percentage of small dollar loans considered to be more responsive to the needs of smaller-sized businesses.

The borrower and geographic distribution performance of HMDA loans focused on performance for Home Purchase, Home Improvement, Refinancing, and Multi-family loan categories. Performance for the Not Applicable, Other Closed, and Other Line of Credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

To evaluate the borrower and geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated. To arrive at an overall conclusion regarding the distribution of lending, performance in each loan category is then generally weighted by dollar volume of such loans made in the assessment area.

While HMDA loan data from calendar years 2019, 2020, and 2021 and small business and small farm data from calendar years 2019 and 2020 were fully analyzed and considered in the evaluation, only bank and aggregate data from the most recent year (2021 for HMDA and 2020 for small business and small farm) are presented in the assessment area tables. In instances where the prior year(s) performance varies significantly from the performance noted during 2021 for HMDA and 2020 for small business and small farm, such variances and the corresponding impact on the overall performance are discussed. Additionally, **Appendix C** contains the prior years' analysis tables for each assessment area.

Loan-To-Deposit Ratio

The bank's loan-to-deposit ratio, as of June 30, 2022, equaled 81.7% and averaged 84.5% for the preceding 12-quarter period. In comparison, the quarterly average loan-to-deposit ratios for seven peer banks operating in similar areas as NPB ranged from 41.6% to 98.9% during the same 12-quarter period. Since the previous evaluation, NPB's assets, nets loans, and deposits have increased by 20%, 4.6%, and 13.8%, respectively. From a CRA perspective, the bank's loan-to-deposit ratio is considered reasonable given the institution's size, financial condition, and local credit needs.

Lending In Assessment Areas

To determine the institution's volume of lending within its assessment areas, the geographic location of the bank's 2019, 2020, and 2021 HMDA loans, as well as 2019 and 2020 small business and small farm loans, were considered. The lending distribution inside and outside of the bank's assessment areas is represented in the following table.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	285	79.4	37,040	64.4	74	20.6	20,439	35.6
Home Improvement	40	87.0	3,457	74.1	6	13.0	1,209	25.9
Refinancing	184	76.3	23,878	66.9	57	23.7	11,806	33.1
Multi-Family Housing	53	85.5	33,281	91.8	9	14.5	2,984	8.2
Other Purpose Closed/Exempt	25	89.3	1,495	92.1	3	10.7	129	7.9
Total HMDA related	587	79.8	99,151	73.1	149	20.2	36,567	26.9
Small Business	1,964	87.4	157,455	79.5	284	12.6	40,597	20.5
Small Farm	257	85.1	14,810	82.3	45	14.9	3,186	17.7
TOTAL LOANS	2,808	85.5	271,416	77.2	478	14.5	80,350	22.8

As indicated in the preceding table, a majority of the total number (85.5%) and dollar amount (77.2%) of HMDA, small business, and small farm loans were extended within the bank's assessment areas. Overall, the institution's level of lending in its assessment areas is considered responsive to community credit needs.

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

The bank's borrower distribution performance is considered reasonable in the multistate assessment area, the Commonwealth of Virginia, and the State of West Virginia. Therefore, the overall level of performance is considered reasonable.

Geographic Distribution of Loans

The bank's geographic distribution performance is considered poor in the multistate assessment area, excellent in the Commonwealth of Virginia, and reasonable in the State of West Virginia. On a combined basis, when taking into consideration the dollar volume of lending and strength of performance across assessment areas, NPB's geographic distribution performance is considered reasonable overall.

Community Development Loans, Investments, and Services

NPB supports community development initiatives that benefit its local assessment areas and larger regional areas by funding community development loans, making qualified investments, and providing financial expertise and other support to local organizations providing community development services. The bank faces no significant constraints relative to its size and business strategy in supporting community development activities.

In total across its three assessment areas and the larger statewide and regional areas that include the assessment areas, the bank participated in the following qualified community development activities:

- Twenty qualified community development loans totaling \$13.1 million.
- Three qualified investments totaling \$2.2 million and 35 donations totaling \$19,292.
- Qualified services to 23 organizations and several local schools.

Of these activities, the following benefited multiple assessment areas:

- Eight of the 20 qualified community development loans totaling \$3.4 million benefited multiple assessment areas.
- All three qualified investments totaling \$2.2 million are bonds through the Virginia Housing and Development Authority (VHDA). The VHDA is a public mortgage lender that serves the housing needs of low- and moderate-income individuals throughout the Commonwealth of Virginia, including two of the bank's assessment areas.
- One qualified donation totaling \$3,876 benefited both the multistate area and Commonwealth of Virginia.
- Qualified services to three of the 23 organizations, United Way of Southwest Virginia, Southwest Virginia Workforce Development Board, and the Virginia Early Childhood Foundation, benefited multiple assessment areas. Bank employees and board members provided financial expertise by either serving as a board member, financial advisor, or member.

The remaining community development loans and services are discussed in the assessment areas where the activities took place.

The bank's community development performance within each assessment area as well as its overall performance is considered excellent.

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 *KINGSPORT-BRISTOL-BRISTOL, TN-VA*¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

Major factors supporting the rating include:

- Borrower distribution performance varies from poor to excellent by product and is considered reasonable overall.
- Geographic distribution performance also varies by product and is considered poor overall.
- The bank demonstrated excellent responsiveness to local community development needs within the multistate market during the evaluation period.

SCOPE OF EXAMINATION

HMDA loan data from calendar years 2019, 2020, and 2021 as well as small business and small farm loan data from calendar years 2019 and 2020 were evaluated to reach conclusions about the bank's borrower and geographic distribution of lending. Qualified community development loans and services since the previous evaluation (July 22, 2019) were considered. All qualified investments made during the 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.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KINGSPORT-BRISTOL-BRISTOL, TN-VA ASSESSMENT AREA

The bank's assessment area is located in southwestern Virginia and northeastern Tennessee and includes all of Washington and Scott counties and the City of Bristol, Virginia, and Sullivan County, Tennessee. These localities constitute a portion of the Kingsport-Bristol-Bristol, TN-VA MSA. Within this assessment area, NPB operates six full-service branches and two full-service ATMs.

As of June 30, 2021, NPB ranked 9th out of 21 financial institutions in local deposit market share according to data compiled by the Federal Deposit Insurance Corporation (FDIC) and held 3.9% of the assessment area's deposits (excluding credit union deposits). According to 2021 aggregate HMDA data, the bank ranked 24th out of 325 lenders in reported mortgage lending with a 1% market share. Additionally, according to 2020 aggregate CRA data, the bank ranked 5th out of 87 lenders in reported small business and small farm lending with a 6.8% market share.

Based on 2015 ACS data, the assessment area served by the bank has a total population of 251,605 and a median housing value of \$121,865. The owner-occupancy rate for the assessment area equals 64.5%, which is equal to the owner-occupancy rate for the entire MSA (64.5%) and higher than the owner occupancy rates for the State of Tennessee (58.6%) and the Commonwealth of Virginia (59.2%). The percentage of families living below the poverty level in the assessment area equals 12.8%. This rate is lower than the rates for the full MSA (13.3%) and State of Tennessee (13.2%), but is substantially higher than the rate in the Commonwealth of Virginia (8.2%). The Kingsport-Bristol-Bristol, TN-VA MSA median family income during 2020 and 2021 equaled \$59,100 and \$59,600, respectively. The following table includes pertinent demographic data for the 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.

Assessment Area Demographics

Kingsport-Bristol-Bristol, TN-VA <i>(Based on 2015 ACS Data and 2020 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	14,431	20.5	
Moderate	12	19.4	12,103	17.2	3,191	26.4	12,848	18.2	
Middle	35	56.5	40,610	57.6	4,854	12.0	13,769	19.5	
Upper	15	24.1	17,778	25.2	991	5.6	29,443	41.8	
NA	0	0.0	0	0.0	0	0.0			
Total	62	100.0	70,491	100.0	9,036	12.8	70,491	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	24,948	23.5
Moderate		11,940	15.4	21,098	19.9	6,016	28.5	17,191	16.2
Middle		45,532	58.6	59,920	56.4	9,372	15.6	18,355	17.3
Upper		20,203	26.0	25,173	23.7	2,342	9.3	45,697	43.0
NA		0	0.0	0	0.0	0	0.0		
Total		77,675	100.0	106,191	100.0	17,730	16.7	106,191	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		2,293	23.6	2,050	23.2	223	28.4	20	21.7
Middle		5,129	52.7	4,689	53.0	384	48.9	56	60.9
Upper		2,304	23.7	2,110	23.8	178	22.7	16	17.4
NA		0	0.0	0	0.0	0	0.0	0	0.0
Total		9,726	100.0	8,849	100.0	785	100.0	92	100.0
Percentage of Total Businesses:				91.0		8.1		0.9	

*NA-Tracts without household or family income as applicable

The local economy has a diversified employment and industrial base. The area's major employers include Food City, Wal-Mart, Mountain States Health Alliance, Utility Trailer Manufacturing, and local governments, including area school systems. Recent and historical periodic unemployment rates are included in the following table.

Geographic Area	May 2019	May 2020	May 2021	May 2022
Bristol City, VA	3.6%	10.7%	5%	3.6%
Washington County, VA	3.2%	8.5%	3.9%	3%
Scott County, VA	3.2%	7.6%	4.1%	3.1%
Sullivan County, TN	3.4%	10.7%	4.2%	3.4%
Kingsport-Bristol-Bristol, TN-VA MSA	3.4%	10.4%	4.2%	3.4%
Commonwealth of Virginia	2.8%	9.5%	4.1%	3%
State of Tennessee	3.1%	11.8%	4.3%	3.4%

Area unemployment rates peaked around the start of the COVID-19 pandemic in 2020. Unemployment rates have recently returned to pre-pandemic levels.

A local affordable housing official was recently contacted to assist in evaluating the bank’s CRA performance. The contact stated that the local area would benefit from more affordable housing and access to programs providing homebuyer assistance. While noting such areas of opportunity, the contact indicated that, overall, local financial institutions are reasonably serving the banking needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

During 2019, 2020, and 2021, the bank originated HMDA loans totaling \$57.3 million within this assessment area. During 2019 and 2020, the bank originated small business totaling \$48.5 million and small farm loans totaling \$4.3 million in the assessment area. Accordingly, the bank’s HMDA and small business performance is given more weight than its small farm performance when evaluating the bank’s overall lending performance.

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

The bank’s borrower distribution is considered poor for HMDA, reasonable for small business, and excellent for small farm lending within the assessment area. On a combined basis, when considering the volume of lending and the relative performance level of each product, NPB’s borrower distribution performance is considered reasonable overall.

Distribution of HMDA Loans by Income Level of Borrower

Kingsport-Bristol-Bristol, TN-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	HMDA Totals							
Low	2	3.2	168	1.2	599	7.9	52,717	3.8
Moderate	4	6.3	268	1.9	1,544	20.3	189,508	13.8
Middle	8	12.7	1,214	8.8	1,913	25.1	297,939	21.7
Upper	49	77.8	12,097	88.1	3,552	46.7	834,396	60.7
Total	63	100.0	13,747	100.0	7,608	100.0	1,374,560	100.0
Unknown	27		15,294		1,446		312,308	

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

During 2021, the bank’s level of lending to low-income borrowers (3.2%) lagged both the percentage of aggregate lending to such borrowers (7.9%) and the percentage of low-income families within the assessment area (20.5%). Lending to moderate-income borrowers (6.3%) substantially lagged the percentage of aggregate lending (20.3%) and the percentage of moderate-income families within the assessment area (18.2%). Overall, the bank’s performance during 2021 is considered poor, and its 2019 and 2020 performance is substantially similar.

Distribution of Lending by Loan Amount and Size of Business

Kingsport-Bristol-Bristol, TN-VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	230	75.7	17,624	60.1	1,670	35.4	86,762	29.2
Over \$1 Million	62	20.4	10,902	37.2	NA	NA	NA	NA
Unknown	12	3.9	796	2.7	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	225	74.0	7,099	24.2	3,980	84.4	88,435	29.7
\$100,001-\$250,000	47	15.5	8,111	27.7	438	9.3	72,292	24.3
\$250,001-\$1 Million	32	10.5	14,112	48.1	297	6.3	136,811	46.0
Total	304	100.0	29,322	100.0	4,715	100.0	297,538	100.0

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

As previously mentioned, the bank and aggregate lenders’ participation in the PPP during 2020 results in loan data that includes a mixture of loans with and without known revenues. While NPB reported revenues for the majority of its PPP loans, the data collection and reporting requirements of the program did not require revenue to be utilized or reported by lenders resulting in aggregate loan data that does not capture all lending to businesses with revenues of \$1 million or less. Instead, loan size was used as a proxy to measure bank and aggregate lending. Conclusions for the bank’s 2020 lending considered the institution’s percentage of small business loans in amounts of \$100,000 or less, with a higher percentage of smaller dollar loans considered more responsive to the needs of smaller-sized businesses and demonstrating a favorable penetration among businesses of different sizes. During 2020, the bank’s percentage of small business loans in amounts of \$100,000 or less (74%) slightly lagged the aggregate lending level (84.4%), but the level of performance is considered reasonable.

Lending in 2019 precedes the pandemic and PPP program, and thus, performance was measured by lending to businesses having revenues of \$1 million or less. During 2019, NPB originated 142 small business loans within the assessment area totaling \$19.2 million. Of the total loans, 84 loans (59.2%) totaling \$9.1 million (47.8%) were to businesses with annual revenues of \$1 million or less. D&B data from 2019 indicates that 90.8% of all local businesses have revenues that do not exceed \$1 million per year. According to the 2019 aggregate small business data, 43.9% of reported 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 the revenue was not known. The bank’s level of lending in 2019 is considered excellent.

Based on the bank’s relative volume of small business lending in 2020 (\$29.3 million) and 2019 (\$19.2 million) and the contextual factors provided above, slightly greater weight was given to the bank’s 2020 performance. Overall, the bank’s borrower distribution performance is considered reasonable.

Distribution of Lending by Loan Amount and Size of Farm

Kingsport-Bristol-Bristol, TN-VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	26	92.9	1,970	94.1	130	72.2	7,690	73.8
Over \$1 Million	1	3.6	24	1.1	NA	NA	NA	NA
Unknown	1	3.5	100	4.8	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	22	78.6	659	31.5	154	85.6	4,308	41.3
\$100,001-\$250,000	4	14.3	757	36.2	18	10.0	3,117	29.9
\$250,001-\$500k (Farm)	2	7.1	678	32.3	8	4.4	3,001	28.8
Total	28	100.0	2,094	100.0	180	100.0	10,426	100.0

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

D&B data from 2020 indicates that 96% of local farms have revenues that do not exceed \$1 million per year. According to 2020 aggregate small farm data, 72.2% of reported loans were to farms with annual revenues of \$1 million or less. The remaining loans were to farms that either had revenues exceeding \$1 million or unknown revenues. Of the bank's small farm loans made in this assessment area during 2020, 92.9% were to farms with annual revenues of \$1 million or less. The bank's performance during 2020 is considered excellent.

During 2019, NPB originated 44 small farm loans within its assessment area totaling \$2.2 million. Of the total loans, 40 (90.9%) loans totaling \$1.9 million (84.8%) were to farms with annual revenues of \$1 million or less. D&B data from 2019 indicates that 96.2% of local farms have revenues that do not exceed \$1 million per year. According to 2019 aggregate small farm data, 77.4% of reported loans were to farms with annual revenues of \$1 million or less. The remaining loans were to farms that either had revenues exceeding \$1 million or had unknown revenues. The bank's performance during 2019 is considered reasonable.

On a combined basis, the bank's small farm lending performance is considered excellent when accounting for the relative loan volume and strength of performance each year.

Geographic Distribution of Loans

This assessment area contains no low-income census tracts; as such, performance was determined by the bank's level of lending within moderate-income census tracts. The bank's geographic distribution performance is considered reasonable for HMDA and poor for small business and small farm lending within the assessment area. On a combined basis, when considering the volume of lending and the relative performance level of each product, the bank's geographic distribution performance is considered poor overall.

Distribution of HMDA Loans by Income Level of Census Tract

Kingsport-Bristol-Bristol, TN-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(39)				(4,475)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5	12.8	514	7.0	852	19.0	123,297	14.2
Middle	20	51.3	3,816	52.2	2,228	49.8	415,958	47.8
Upper	14	35.9	2,975	40.8	1,395	31.2	331,654	38.0
	(35)				(4,156)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	3	8.6	263	3.9	542	13.0	68,663	9.3
Middle	24	68.6	4,689	70.2	2,128	51.2	363,286	49.5
Upper	8	22.8	1,727	25.9	1,486	35.8	302,688	41.2
	(9)				(372)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	4	44.4	607	40.9	58	15.6	3,392	13.8
Middle	5	55.6	878	59.1	168	45.2	10,413	42.3
Upper	0	0.0	0	0.0	146	39.2	10,806	43.9
	(7)				(51)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	14.2	84	0.6	16	31.4	21,281	37.5
Middle	3	42.9	11,709	86.3	24	47.1	27,145	47.9
Upper	3	42.9	1,779	13.1	11	21.5	8,285	14.6
	HMDA Totals							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	13	14.4	1,468	5.1	1,468	16.2	216,633	12.8
Middle	52	57.8	21,092	72.6	4,548	50.2	816,802	48.4
Upper	25	27.8	6,481	22.3	3,038	33.6	653,433	38.8
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	90	100.0	29,041	100.0	9,054	100.0	1,686,868	100.0

NA*-Tracts without household or family income as applicable

Home purchase and refinance were the leading HMDA products for both aggregate lenders and the bank during 2021. Considering both demographic and aggregate proxies for demand, the bank's performance for both home purchase and refinance lending is considered reasonable. NPB's performance for home improvement lending is excellent, while multi-family lending is considered poor; however, these categories carry little weight due to limited volume within the assessment area.

Overall during 2021, the bank's level of lending in moderate-income census tracts (14.4%) approximated both aggregate lending in such tracts (16.2%) and the level of owner-occupied housing units located in moderate-income census tracts (15.4%). NPB's performance is considered reasonable, and its 2020 lending performance is similar.

During 2019, the bank originated 92 HMDA loans within its assessment area totaling \$15.4 million. Of the total loans, eight loans (8.7%) totaling \$666,000 (4.3%) were originated in moderate-income census tracts. When compared to the number of loans reported by aggregate lenders in such tracts (17.8%) and the percentage of owner-occupied units in moderate-income census tracts (15.4%), NPB's performance in 2019 is considered poor.

On a combined basis, NPB's HMDA lending for 2019, 2020, and 2021 is considered reasonable overall and reflects greater weight on 2021 lending attributed to the significantly larger dollar volume of lending during that year compared to 2019 and 2020.

Distribution of Small Business Loans by Income Level of Census Tract

Kingsport-Bristol-Bristol, TN-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	34	11.2	2,380	8.1	944	20.1	65,743	22.2
Middle	191	62.8	18,486	63.0	2,491	53.1	153,898	51.9
Upper	79	26.0	8,456	28.9	1,255	26.8	77,126	25.9
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	304	100.0	29,322	100.0	4,690	100.0	296,767	100.0

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

During 2020, the bank’s level of small business lending in moderate-income census tracts (11.2%) was significantly lower than the percentage of area businesses located in such tracts (23.6%) and the aggregate lending level (20.1%). Overall, the bank's level of small business lending during 2020 is considered poor, and its performance in 2019 is similar.

Distribution of Small Farm Loans by Income Level of Census Tract

Kingsport-Bristol-Bristol, TN-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	% #	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	4	2.2	94	0.9
Middle	24	85.7	1,885	90.0	130	72.6	7,352	70.9
Upper	4	14.3	209	10.0	45	25.2	2,917	28.2
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	28	100.0	2,094	100.0	179	100.0	10,363	100.0

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

NPB did not originate any small farm loans in moderate-income census tracts during 2020; however, D&B data from 2020 indicates that only 5.9% of all area farms are located in moderate-income census tracts and aggregate lenders extended only 2.2% of small farm loans in such tracts. Nonetheless, the bank's level of small farm lending during 2020 is considered poor, and its performance in 2019 is similar.

Community Development Loans, Investments, and Services

Discussions with an individual knowledgeable of the local community and the review of performance evaluations of other financial institutions operating within the assessment area indicate that local community development opportunities are reasonably available within the assessment area. The bank faces no constraints in providing community development loans, investments, or services consistent with its capacity and available opportunities.

As previously mentioned, the bank has three qualified investments totaling \$2.2 million which support affordable housing within the Commonwealth of Virginia including portions of this assessment area. Specific to this assessment area, NPB originated three community development loans totaling \$1.8 million to area organizations that provide affordable housing. In addition to the \$3,876 donation benefiting multiple assessment areas, the bank made eight donations totaling \$1,187 to area organizations that provide qualified community development services within the assessment area.

In addition to providing financial education at two local high schools where a majority of the students are eligible for free or reduced lunch, bank employees also provided financial expertise by either serving as a board member, financial advisor, or they led projects targeted to low- to moderate-income individuals for the following organizations: Northeast Tennessee Economic Development Corporation, Virginia Highlands Small Business Incubator, United Way of Bristol, Areawide Development Corporation, United Way of Greater Kingsport, Abuse Alternatives, City of Bristol Community Development Advisory Committee, Children's Advocacy Center of Sullivan County, Rotary Club of Scott County, Washington County Public Library, and Kingsport Kiwanis.

Of the bank's six branches in the assessment area, three (50%) are located within a moderate-income census tract. Systems for delivering retail banking services appear effective and are accessible to all portions of the assessment area. NPB also offers free and low-cost checking accounts, which can benefit low- and moderate-income customers.

Overall, the bank has demonstrated an excellent level of responsiveness to local community development needs through its loan and investment activities and support of area organizations that facilitate community development.

COMMONWEALTH OF VIRGINIA

CRA RATING FOR *COMMONWEALTH OF VIRGINIA*²: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

Major factors supporting the rating include:

- Borrower distribution performance is considered reasonable overall.
- Geographic distribution performance is considered excellent overall.
- The bank demonstrated excellent responsiveness to local community development needs within the Commonwealth during the evaluation period.

SCOPE OF EXAMINATION

HMDA loan data from calendar years 2019, 2020, and 2021 as well as small business and small farm loan data from calendar years 2019 and 2020 were evaluated to reach conclusions about the bank's borrower and geographic distribution of lending. Qualified community development loans and services since the previous evaluation (July 22, 2019) were considered. All qualified investments made during the same period, and those outstanding as of the evaluation, regardless of when made, were also considered.

The bank delineates one nonmetropolitan assessment area (Russell, VA NonMSA) within the Commonwealth of Virginia. Statewide ratings for Virginia are based solely on the bank's performance in this assessment area. As previously stated, the bank's performance within the Virginia portion of the Kingsport-Bristol-Bristol, TN-VA assessment area is considered in the evaluation of the multistate area and is not a factor in the evaluation of the bank's performance in the Commonwealth of Virginia.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN RUSSELL, VA NONMSA ASSESSMENT AREA

NPB's Russell, VA NonMSA assessment area is located in southwestern Virginia consisting of the city of Norton, Virginia, and the counties of Buchanan, Dickenson, Russell, Smyth, Tazewell, and Wise, Virginia. Within this assessment area, NPB operates 12 full-service branches.

As of June 30, 2021, NPB ranked 2nd out of 16 financial institutions in local deposit market share according to data compiled by the FDIC and held 12.7% of the assessment area's deposits (excluding credit union deposits). Additionally, according to 2021 aggregate HMDA data, the bank ranked 11th out of 187 lenders in reported mortgage lending with a 2.3% market share. According to 2020 aggregate CRA data, the bank ranked 2nd out of 77 lenders in reported small business and small farm lending with a 13.9% market share.

Based on 2015 ACS data, the assessment area served by the bank has a total population of 187,335 and a median housing value of \$86,379. Within the assessment area, the owner-occupancy rate is 62.1%, which is higher than the owner-occupancy rates for both the Commonwealth of Virginia (59.2%) and the nonmetropolitan areas of Virginia (57.8%). The percentage of families living below the poverty level in the assessment area (16.4%) is significantly higher than the rates in both the Commonwealth of Virginia (8.2%) and the nonmetropolitan areas of Virginia (13.3%). The median family income for nonmetropolitan areas of Virginia during 2020 and 2021 equaled \$58,100 and \$58,900, respectively.

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 following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Russell, VA NonMSA								
<i>(Based on 2015 ACS Data and 2020 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	12,754	25.4
Moderate	16	32.0	16,923	33.8	3,757	22.2	9,658	19.3
Middle	31	62.0	29,609	59.1	4,190	14.2	9,773	19.5
Upper	3	6.0	3,587	7.1	259	7.2	17,934	35.8
NA	0	0.0	0	0.0	0	0.0		
Total	50	100.0	50,119	100.0	8,206	16.4	50,119	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	22,126	29.8
Moderate	19,329	35.3	25,705	34.6	6,625	25.8	12,475	16.8
Middle	31,525	57.5	43,308	58.2	8,108	18.7	12,245	16.5
Upper	3,929	7.2	5,343	7.2	993	18.6	27,510	36.9
NA	0	0.0	0	0.0	0	0.0		
Total	54,783	100.0	74,356	100.0	15,726	21.1	74,356	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	1,415	27.8	1,259	27.7	138	30.2	18	21.7
Middle	3,133	61.6	2,805	61.7	271	59.3	57	68.7
Upper	536	10.6	480	10.6	48	10.5	8	9.6
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	5,084	100.0	4,544	100.0	457	100.0	83	100.0
Percentage of Total Businesses:				89.4		9.0		1.6

*NA-Tracts without household or family income as applicable

According to data published by the FFIEC in 2020, 24 of the 31 middle-income census tracts within the assessment area have been designated as being either distressed or underserved. Census tracts are designated as underserved when they are located in predominately rural areas that are distant from population centers and may lack access to certain services, while the distressed designation reflects a population loss and/or comparatively high unemployment or poverty rates. Specifically, all three of Buchanan County's middle-income census tracts are currently designated as being both underserved and distressed because of population loss and high poverty and unemployment rates. In addition, three middle-income tracts in Dickenson County are designated as distressed because of high poverty rates, four middle-income tracts in Russell County are designated as distressed because of high poverty rates, seven middle-income tracts in Smyth County are designated as both underserved and distressed because of high poverty rates, and seven tracts in Wise County are designated as distressed because of high poverty rates. Distressed and underserved census tract designations are the same for 2019.

According to data published by the FFIEC in 2021, all 31 of the middle-income census tracts in the assessment area have been designated as being either distressed or underserved. In addition to the 24 tracts previously designated and described above, the seven middle-income census tracts in Tazewell County are now also designated as distressed because of high poverty rates.

Local county government and school boards provide a large portion of employment opportunities for area residents. Additionally, other major area employers include Utility Trailer Manufacturing, Teleperformance USA, Wal-Mart, and Southwest Virginia Mental Health Center. Recent and historical periodic unemployment rates since the previous evaluation are included in the following table.

Geographic Area	May 2019	May 2020	May 2021	May 2022
Buchanan County, VA	4.8%	11.2%	6.9%	5%
Dickenson County, VA	4.6%	9.7%	5.7%	4%
Norton City, VA	3.4%	9.7%	5%	3.8%
Russell County, VA	3.8%	8.6%	4.5%	3.3%
Smyth County, VA	3.4%	9.4%	4.5%	2.8%
Tazwell County, VA	3.9%	10%	5.4%	3.8%
Wise County, VA	4.3%	9.2%	5.7%	3.7%
Commonwealth of Virginia	2.8%	9.5%	4.1%	3%

Area unemployment rates peaked around the start of the COVID-19 pandemic in 2020. While unemployment rates have recently returned to pre-pandemic levels or improved, Buchanan County continues to maintain the highest rates in the area.

A local economic development official was contacted during the evaluation to discuss area economic conditions and local credit needs. The contact indicated that the local economy is recovering steadily given low unemployment and the demand for financing. While, the contact indicated that opportunities exist for financial institutions to partner with local organizations to support business development and provide counseling for homeownership, the contact indicated that, overall, area financial institutions are reasonably serving the banking needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

During 2019, 2020 and 2021, the bank originated HMDA loans totaling \$27 million. During 2019 and 2020, the bank originated small business loans totaling \$39.1 million and small farm loans totaling \$6.1 million in this assessment area. Accordingly, the bank's HMDA and small business lending performance is given more weight than its small farm performance when evaluating the bank's overall lending performance.

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

Borrower distribution performance for HMDA, small business, and small farm lending is considered reasonable.

Distribution of HMDA Loans by Income Level of Borrower

Russell, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
	HMDA Totals							
Low	4	6.7	233	2.7	215	8.7	17,505	5.2
Moderate	10	16.7	1,007	11.6	629	25.3	64,293	19.0
Middle	17	28.3	1,774	20.5	656	26.4	81,866	24.2
Upper	29	48.3	5,657	65.2	985	39.6	174,259	51.6
Total	60	100.0	8,671	100.0	2,485	100.0	337,923	100.0
Unknown	10		2,011		470		75,488	

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

During 2021, the bank's level of lending to low-income borrowers (6.7%) slightly lagged the percentage of aggregate lending to such borrowers (8.7%) and lagged the percentage of low-income families within the assessment area (25.4%). Lending to moderate-income borrowers (16.7%) lagged the percentage of aggregate lending (25.3%) and the percentage of moderate-income families within the assessment area (19.3%). On a combined basis, the bank's performance during 2021 is considered reasonable, and its 2019 and 2020 lending performance is substantially similar.

Distribution of Lending by Loan Amount and Size of Business

Russell, VA NonMSA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	284	77.0	9,952	38.8	1,176	44.7	50,173	34.3
Over \$1 Million	74	20.1	13,615	53.1	NA	NA	NA	NA
Unknown	11	2.9	2,085	8.1	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	312	84.6	8,702	33.9	2,317	88.1	49,957	34.2
\$100,001-\$250,000	32	8.7	5,028	19.6	175	6.7	27,925	19.1
\$250,001-\$1 Million	25	6.7	11,922	46.5	137	5.2	68,238	46.7
Total	369	100.0	25,652	100.0	2,629	100.0	146,120	100.0

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

As previously mentioned, the bank and aggregate lenders' participation in the PPP during 2020 results in loan data that includes a mixture of loans with and without known revenues. While NPB reported revenues for the majority of its PPP loans, the data collection and reporting requirements of the program did not require revenue to be utilized or reported by lenders, resulting in aggregate loan data that does not capture all lending to businesses with revenues of \$1 million or less. Instead, loan size was used as a proxy to compare the bank and aggregate lending. Conclusions for the bank's 2020 lending considered the institution's percentage of small business loans in amounts of \$100,000 or less, with a higher percentage of smaller dollar loans considered more responsive to the needs of smaller-sized businesses. During 2020, the bank's percentage of small business loans in amounts of \$100,000 or less (84.6%) approximated the aggregate lending level (88.1%), and the performance is considered reasonable.

Lending in 2019 precedes the pandemic and PPP program, and thus, performance was measured by lending to businesses having revenues of \$1 million or less. During 2019, NPB originated 130 small business loans within the assessment area totaling \$13.4 million. Of the total loans, 99 (76.2%) totaling \$7.7 million (57.5%) were to businesses with annual revenues of \$1 million or less. D&B data from 2019 indicates that 89.3% of all local businesses have revenues that do not exceed \$1 million per year. According to the 2019 aggregate small business data, 46.6% of reported 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 the revenue was not known. The bank's small business lending in 2019 is considered excellent.

Based on the bank's relative volume of small business lending in 2020 (\$25.7 million) and 2019 (\$13.4 million) and the contextual factors provided above, greater weight was given to the bank's 2020 performance. Overall, the bank's borrower distribution performance is considered reasonable.

Distribution of Lending by Loan Amount and Size of Farm

Russell, VA NonMSA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	36	92.3	1,208	82.7	234	77.7	12,022	86.4
Over \$1 Million	3	7.7	252	17.3	NA	NA	NA	NA
Unknown	0	0.0	0	0.0	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	36	92.3	828	56.7	267	88.7	7,090	51.0
\$100,001-\$250,000	2	5.1	232	15.9	27	9.0	4,107	29.5
\$250,001-\$500k (Farm)	1	2.6	400	27.4	7	2.3	2,717	19.5
Total	39	100.0	1,460	100.0	301	100.0	13,914	100.0

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

During 2020, D&B data indicates that 99.1% of local farms have revenues that do not exceed \$1 million per year. According to 2020 aggregate small farm data, 77.7% of reported loans were to farms with annual revenues of \$1 million or less. The remaining loans were to farms that either had revenues exceeding \$1 million or unknown revenues. Of the bank's small farm loans considered in the evaluation, 92.3% were to farms with annual revenues of \$1 million or less. The bank's performance during 2020 is considered reasonable, and its performance during 2019 is substantially similar.

Geographic Distribution of Loans

NPB's assessment area contains no low-income census tracts; therefore, performance was determined by the bank's level of lending within moderate-income census tracts. The bank's geographic distribution performance for HMDA, small business, and small farm lending is considered excellent.

Distribution of HMDA Loans by Income Level of Census Tract

Russell, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(39) Home Purchase				(1,660)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	14	35.9	1,879	33.8	438	26.4	55,484	23.5
Middle	19	48.7	2,105	37.9	997	60.1	140,321	59.5
Upper	6	15.4	1,576	28.3	225	13.5	39,955	17.0
	(24) Refinance				(1,207)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	10	41.7	1,081	31.4	290	24.0	36,759	22.3
Middle	12	50.0	2,001	58.1	752	62.3	99,809	60.4
Upper	2	8.3	364	10.5	165	13.7	28,547	17.3
	(2) Home Improvement				(66)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	19	28.8	1,210	31.8
Middle	2	100.0	114	100.0	43	65.2	2,262	59.4
Upper	0	0.0	0	0.0	4	6.0	334	8.8
	(5) Multi-Family				(18)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	40.0	602	38.5	6	33.3	2,055	25.7
Middle	2	40.0	780	49.9	10	55.6	4,671	58.3
Upper	1	20.0	180	11.6	2	11.1	1,280	16.0
	HMDA Totals							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	26	37.1	3,562	33.3	753	25.5	95,508	23.1
Middle	35	50.0	5,000	46.8	1,802	61.0	247,063	59.8
Upper	9	12.9	2,120	19.9	396	13.4	70,116	16.9
NA*	0	0.0	0	0.0	4	0.1	724	0.2
Total	70	100.0	10,682	100.0	2,955	100.0	413,411	100.0

NA*-Tracts without household or family income as applicable

Home purchase and refinance loans were the leading HMDA products for both aggregate lenders and the bank during 2020. Considering both demographic and aggregate proxies for demand, the bank's performance is excellent for both home purchase and refinance lending. Multi-family lending is considered excellent and home improvement lending is considered poor; however, these categories carried minimal weight in the analysis due to their smaller volumes.

During 2021, NPB's level of lending in moderate-income census tracts (37.1%) exceeds both the level of aggregate lending in such tracts (25.5%) and the percentage of owner-occupied housing units located in moderate-income census tracts (35.3%). The bank's performance during 2021 is considered excellent, and its performance during 2019 and 2020 is substantially similar.

Distribution of Small Business Loans by Income Level of Census Tract

Russell, VA NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	140	37.9	9,290	36.2	771	29.9	37,120	25.7
Middle	208	56.4	14,562	56.8	1,597	62.0	96,845	66.9
Upper	21	5.7	1,800	7.0	209	8.1	10,740	7.4
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	369	100.0	25,652	100.0	2,577	100.0	144,705	100.0

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

D&B data from 2020 indicates that 27.8% of all area businesses are located in moderate-income census tracts. During 2020, aggregate lenders extended 29.9% of small business loans in moderate-income census tracts. The bank’s level of lending in moderate-income tracts (37.9%) exceeds demographic and aggregate data. Overall, NPB’s performance in moderate-income census tracts during 2020 is considered excellent, and its 2019 performance is substantially similar.

Distribution of Small Farm Loans by Income Level of Census Tract

Russell, VA NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	% #	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	16	41.0	495	33.9	71	23.6	2,511	18.0
Middle	20	51.3	850	58.2	214	71.1	11,076	79.6
Upper	3	7.7	115	7.9	16	5.3	327	2.4
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	39	100.0	1,460	100.0	301	100.0	13,914	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 lending to small farms in moderate-income census tracts (41%) exceeds both the aggregate lending level (23.6%) and the percentage of farms located in such tracts (26.6%). NPB’s 2020 performance is considered excellent, and its 2019 performance is substantially similar.

Community Development Loans, Investments, and Services

NPB supports community development initiatives that benefit the assessment area by making qualified loans and investments and providing financial expertise and other support to local organizations providing community development services. A discussion with an individual knowledgeable of the local community and the review of performance evaluations of other financial institutions having a local presence indicate that local community development opportunities are more limited within the assessment area. While NPB serves rural communities with high unemployment and poverty, the bank has provided community development loans, investments, and services within the assessment area. The bank faces no major constraints in providing community development loans, investments, and services consistent with its capacity and available opportunities.

As previously mentioned, the bank holds three qualified investments totaling \$2.2 million which support affordable housing within the larger statewide area including this assessment area. In addition to the \$3,876 donation benefiting multiple assessment areas, the bank also made 24 charitable donations totaling \$13,549 to local organizations that provide community development services within the assessment area.

As previously mentioned, the bank originated eight community development loans totaling \$3.4 million that provide services to low- and moderate-income individuals and support economic development within the larger regional area including this assessment area.

NPB originated four additional community development loans totaling \$1.5 million that provide services to low- and moderate-income individuals and revitalize or stabilize distressed middle-income geographies within the assessment area.

Bank employees and board members provided financial expertise by either serving as a board member, financial advisor, or member of the following organizations: Boys & Girls Club of Central Appalachia, Good Samaritan Food Pantry, Tazewell County Public Service Authority, Town of Richlands Planning Commission, Southwest Virginia Community College, Virginia Career Works, and Legacy Hospice. Bank employees also taught financial literacy classes at five local schools, where a majority of students are eligible for free or reduced lunch, raised funds for local schools targeted to low- or moderate-income students through Backpack Blessings, and presented ABA's Safe Banking for Seniors program to low-income elderly residents within the assessment area.

Of the bank's 12 branches in the assessment area, five (41.7%) are located within moderate-income census tracts. Systems for delivering retail banking services appear effective and are accessible to all portions of the assessment area. NPB also offers free and low-cost checking accounts, which can benefit low- and moderate-income customers.

When considering that community development opportunities are somewhat limited, overall, the bank has demonstrated an excellent level of responsiveness to local community development needs through its loan and investment activities and support of area organizations that facilitate community development.

STATE OF WEST VIRGINIA

CRA RATING FOR WEST VIRGINIA³: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

Major factors supporting the rating include:

- Borrower distribution performance is reasonable overall.
- Geographic distribution performance varies by product, but it is considered reasonable overall.
- The bank demonstrated excellent responsiveness to local community development needs during the evaluation period.

SCOPE OF EXAMINATION

HMDA loan data from calendar years 2019, 2020, and 2021 as well as small business loan data from calendar years 2019 and 2020 were evaluated to reach conclusions about the bank's borrower and geographic distribution of lending. As previously noted, the borrower and geographic distribution performance for the bank's small farm lending is not evaluated within this assessment area because of the limited demand for such loans. Qualified community development loans and services since the previous evaluation (July 22, 2019) were considered. All qualified investments made during the same period, and those outstanding as of the evaluation, regardless of when made, were also considered.

The bank has delineated one nonmetropolitan assessment area (Mercer, WV NonMSA) in the State of West Virginia; therefore, the ratings for the state are based solely on the bank's performance in this single assessment area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MERCER, WV NONMSA ASSESSMENT AREA

NPB's Mercer, WV NonMSA assessment area is located in southwestern West Virginia consisting solely of the county of Mercer, West Virginia in its entirety. Within this assessment area, NPB operates two full-service branches.

As of June 30, 2021, NPB ranked 5th out of six financial institutions in local deposit market share according to data compiled by the FDIC and held 6% of the assessment area's deposits (excluding credit union deposits). According to 2021 aggregate HMDA data, the bank ranked 9th out of 98 lenders in reported mortgage lending with a 2.7% market share. According to 2020 aggregate CRA data, NPB ranked 2nd out of 59 lenders in reported small business lending with a 17.4% market share.

Based on 2015 ACS data, the assessment area served by the bank has a total population of 61,891 and a median housing value of \$85,188. Within the assessment area, the owner-occupancy rate is 61.3%, which is similar to the owner-occupancy rates for the State of West Virginia (60.8%) and nonmetropolitan areas of West Virginia (60.3%). The percentage of families living below the poverty level in the assessment area (16.4%) is higher than the rates in both the State of West Virginia (13.1%) and the nonmetropolitan areas of West Virginia (14.9%). The median family income for nonmetropolitan areas of West Virginia during 2020 and 2021 equaled \$54,000 and \$54,600, respectively.

³ 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 following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Mercer, WV NonMSA (Based on 2015 ACS Data and 2020 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	4,019	24.0
Moderate	5	31.3	3,961	23.6	823	20.8	3,096	18.5
Middle	9	56.3	9,520	56.8	1,602	16.8	3,138	18.7
Upper	2	12.4	3,272	19.6	329	10.1	6,500	38.8
NA	0	0.0	0	0.0	0	0.0		
Total	16	100.0	16,753	100.0	2,754	16.4	16,753	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	6,700	26.3
Moderate	3,860	21.1	6,255	24.6	1,750	28.0	4,204	16.5
Middle	10,851	59.2	14,463	56.8	2,996	20.7	4,231	16.6
Upper	3,609	19.7	4,733	18.6	642	13.6	10,316	40.6
NA	0	0.0	0	0.0	0	0.0		
Total	18,320	100.0	25,451	100.0	5,388	21.2	25,451	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	601	32.0	529	31.2	62	39.5	10	41.7
Middle	992	52.8	907	53.4	75	47.8	10	41.7
Upper	286	15.2	262	15.4	20	12.7	4	16.6
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	1,879	100.0	1,698	100.0	157	100.0	24	100.0
Percentage of Total Businesses:				90.4		8.4		1.2

*NA-Tracts without household or family income as applicable

According to data published by the FFIEC in 2019 and 2020, all nine of the middle-income census tracts within the assessment area have been designated as being distressed due to poverty and unemployment.

Major area employers include Mercer County Board of Education, Princeton Community Hospital Association, Inc., Bluefield Regional Medical Center, Ecosphere, LLC, and Wal-Mart. Recent and historical periodic unemployment rates since the previous evaluation are included in the following table.

Geographic Area	May 2019	May 2020	May 2021	May 2022
Mercer County, WV	5.3%	12.9%	7%	4.3%
West Virginia	4.5%	12.4%	5.2%	3.4%

Area unemployment rates peaked around the start of the COVID-19 pandemic in 2020. Unemployment rates have since improved significantly for the county and State as compared to pre-pandemic levels. A local community development official was recently contacted to assist in evaluating the bank’s CRA performance. She stated that local banks are supportive of local organizations by providing financial expertise, and that overall, they are meeting the needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

During 2019, 2020 and 2021, the bank originated HMDA loans totaling \$13.3 million within this assessment area. In 2019 and 2020 the bank originated small business lending totaling \$22.4 million. Accordingly, the bank's small business lending performance is given more weight than its HMDA performance when evaluating the bank's overall lending performance.

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

The bank's borrower distribution performance for HMDA and small business lending is considered reasonable.

Distribution of HMDA Loans by Income Level of Borrower

Mercer, WV NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	0	0.0	0	0.0	72	7.1	5,690	4.2
Moderate	4	19.0	506	14.6	197	19.5	19,551	14.3
Middle	1	4.8	37	1.1	261	25.9	31,887	23.3
Upper	16	76.2	2,911	84.3	478	47.5	79,694	58.2
Total	21	100.0	3,454	100.0	1,008	100.0	136,822	100.0
Unknown	14		2,856		252		38,794	

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

During 2021, the bank's lending to low-income borrowers (0%) lagged both the percentage of aggregate lending to such borrowers (7.1%) and the percentage of low-income families within the assessment area (24%). NPB's lending to moderate-income borrowers (19%) approximated the percentage of aggregate lending (19.5%) and slightly exceeded the percentage of moderate-income families within the assessment area (18.5%). Overall, the bank's performance during 2021 is considered reasonable, and its 2019 and 2020 performance is substantially similar.

Distribution of Lending by Loan Amount and Size of Business

Mercer, WV NonMSA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	140	74.9	8,457	58.0	538	50.8	29,220	37.2
Over \$1 Million	42	22.5	4,961	34.0	NA	NA	NA	NA
Unknown	5	2.6	1,163	8.0	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	150	80.2	4,788	32.8	873	82.4	23,248	29.6
\$100,001-\$250,000	24	12.8	3,918	26.9	114	10.8	18,501	23.6
\$250,001-\$1 Million	13	7.0	5,875	40.3	73	6.8	36,776	46.8
Total	187	100.0	14,581	100.0	1,060	100.0	78,525	100.0

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

As previously mentioned, the bank and aggregate lenders' participation in the PPP during 2020 results in loan data that includes a mixture of loans with and without known revenues. While NPB reported revenues for the majority of its PPP loans, the data collection and reporting requirements of the program did not require revenue to be utilized or reported by lenders resulting in aggregate loan data that does not capture all lending to businesses with revenues of \$1 million or less. Instead, loan size was used as a proxy to compare the bank and aggregate lending. Conclusions for the bank's 2020 lending considered the institution's percentage of small business loans in amounts of \$100,000 or less, with a higher percentage of smaller dollar loans considered more responsive to the needs of smaller-sized businesses. During 2020, the bank's percentage of small business loans in amounts of \$100,000 or less (80.2%) approximated the aggregate lending level (82.4%), and the bank's performance is considered reasonable.

Lending in 2019 precedes the pandemic and PPP program, and thus, performance was measured by lending to businesses having revenues of \$1 million or less. During 2019, NPB originated 78 small business loans within the assessment area totaling \$7.8 million. Of the total loans, 45 (57.7%) totaling \$3.4 million (43.3%) were to businesses with annual revenues of \$1 million or less. D&B data from 2019 indicates that 89.9% of all local businesses have revenues that do not exceed \$1 million per year. According to the 2019 aggregate small business data, 44.4% of reported 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 the revenue was not known. NPB's level of lending in 2019 is considered excellent.

Based on the bank's relative volume of small business lending in 2020 (\$14.6 million) and 2019 (\$7.8 million) and the contextual factors provided above, greater weight was given to the bank's 2020 performance. Overall, the bank's borrower distribution performance is considered reasonable.

Geographic Distribution of Loans

The bank's assessment area does not contain any low-income census tracts. As such, the bank's performance was determined by its level of lending within moderate-income census tracts. NPB's geographic distribution performance is considered excellent for HMDA lending and reasonable for small business lending. Given the greater volume of small business lending and the relative performance levels of each product, NPB's geographic distribution performance is considered reasonable overall.

Distribution of HMDA Loans by Income Level of Census Tract

Mercer, WV NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(14)				(706)			
	Home Purchase							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	6	42.9	821	40.3	102	14.4	11,345	11.8
Middle	5	35.7	660	32.4	431	61.0	57,574	59.9
Upper	3	21.4	554	27.3	173	24.6	27,125	28.3
	(12)				(495)			
	Refinance							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	8.3	101	5.6	72	14.5	9,389	13.6
Middle	7	58.3	556	30.9	266	53.7	35,908	52.0
Upper	4	33.4	1,145	63.5	157	31.8	23,709	34.4
	(3)				(44)			
	Home Improvement							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	3	6.8	211	8.3
Middle	3	100.0	215	100.0	31	70.5	1,717	67.5
Upper	0	0.0	0	0.0	10	22.7	615	24.2
	(6)				(15)			
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	16.7	183	8.1	3	20.0	1,166	14.5
Middle	4	66.7	1,855	82.2	6	40.0	3,030	37.8
Upper	1	16.7	220	9.7	6	40.0	3,827	47.7
	HMDA Totals							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	8	22.9	1,105	17.5	180	14.3	22,111	12.6
Middle	19	54.3	3,286	52.1	734	58.3	98,229	55.9
Upper	8	22.8	1,919	30.4	346	27.4	55,276	31.5
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	35	100.0	6,310	100.0	1,260	100.0	175,616	100.0

NA*-Tracts without household or family income as applicable

Home purchase and refinance loans were the leading HMDA products for both aggregate lenders and the bank during 2021. Multi-family and home improvement lending carried minimal weight in the analysis due to limited lending within the assessment area. The bank's performance is considered excellent for home purchase loans, poor for refinance and home improvement lending, and reasonable for multi-family lending.

Overall during 2021, NPB's level of lending in moderate-income census tracts (22.9%) exceeded both the aggregate lending level (14.3%) and the percentage of owner-occupied housing units located in moderate-income census tracts (21.1%). The bank's performance during 2021 is considered excellent, and its performance in 2019 and 2020 is substantially similar.

Distribution of Small Business Loans by Income Level of Census Tract

Mercer, WV NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	50	26.7	4,181	28.7	301	28.6	23,476	30.0
Middle	100	53.5	8,182	56.1	583	55.3	47,271	60.4
Upper	37	19.8	2,218	15.2	170	16.1	7,547	9.6
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	187	100.0	14,581	100.0	1,054	100.0	78,294	100.0

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

D&B data from 2020 indicates that 32% of all area businesses are located in moderate-income census tracts. During 2020, aggregate lenders extended 28.6% of small business loans in moderate-income census tracts. The bank's level of lending in moderate-income tracts (26.7%) slightly lagged demographic and aggregate data. Overall, the performance during 2020 is considered reasonable, and its 2019 performance is substantially similar.

Community Development Loans, Investments, and Services

Discussions with an individual knowledgeable of the local market area and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are limited within the assessment area. While NPB serves a rural community with relatively limited community development opportunities, the bank has provided community development loans and services within the area. The bank faces no constraints in providing community development loans, investments, or services consistent with its capacity and available opportunities.

During the evaluation period, NPB originated five community development loans totaling \$6.4 million to area organizations that revitalize or stabilize distressed middle-income census tracts and support economic development within the assessment area. NPB also made two charitable donations totaling \$680 to area organizations that provide community development services within the assessment area.

In addition to bank employees volunteering their time to teach financial education in local schools (Get a Life Program), bank employees and board members provided financial expertise by either serving as a board member, financial advisor, or member of the following organizations: Community Action of Southeastern West Virginia and Mercer County Economic Development Authority. The “Get a Life” program teaches students how to manage finances through a budget simulation, and bank employees taught this program at four high schools in Mercer County where a majority of the students were eligible for free or reduced lunch.

Of the bank's two branches within the assessment area, one (50%) is located in a moderate-income census tract. Systems for delivering retail banking services appear effective and are accessible to all portions of the assessment area. As previously mentioned, NPB also offers free and low-cost checking accounts, which can benefit low- and moderate-income customers.

Overall, the bank has demonstrated an excellent level of responsiveness to local community development needs through its lending and support of area organizations that facilitate community development.

CRA APPENDIX A
SCOPE OF EXAMINATION

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED⁴	OTHER INFORMATION
Kingsport-Bristol-Bristol, TN-VA	Full-scope	Due to travel restrictions related to COVID-19 and the bank's satisfactory history, no branch visits were conducted.	None
Russell, VA NonMSA	Full-scope	Due to travel restrictions related to COVID-19 and the bank's satisfactory history, no branch visits were conducted.	None
Mercer, WV NonMSA	Full-scope	Due to travel restrictions related to COVID-19 and the bank's satisfactory history, no branch visits were conducted.	None

⁴ 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 METROPOLITAN AREA RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Community Development Test Rating	Overall Rating
Kingsport-Bristol-Bristol, TN-VA	Satisfactory	Outstanding	Satisfactory
Commonwealth of Virginia	Satisfactory	Outstanding	Satisfactory
State of West Virginia	Satisfactory	Outstanding	Satisfactory

CRA APPENDIX C

FULL-SCOPE REVIEW TABLES

2019 and 2020 HMDA and 2019 Small Business/Small Farm

Kingsport-Bristol-Bristol, TN-VA Borrower Distribution Tables

Distribution of HMDA Loans by Income Level of Borrower

Kingsport-Bristol-Bristol, TN-VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	5	7.8	249	2.9	446	8.1	29,426	3.7
Moderate	6	9.4	395	4.6	1,216	22.1	119,069	14.8
Middle	11	17.2	958	11.1	1,367	24.8	174,518	21.7
Upper	42	65.6	7,000	81.4	2,479	45.0	482,795	59.8
Total	64	100.0	8,602	100.0	5,508	100.0	805,808	100.0
Unknown	28		6,841		793		157,354	

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

Distribution of HMDA Loans by Income Level of Borrower

Kingsport-Bristol-Bristol, TN-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	2	5.3	241	3.6	489	6.9	39,886	3.3
Moderate	2	5.3	157	2.3	1,414	20.0	161,073	13.4
Middle	7	18.4	805	12.0	1,760	24.9	254,188	21.1
Upper	27	71.0	5,481	82.1	3,401	48.2	750,781	62.2
Total	38	100.0	6,684	100.0	7,064	100.0	1,205,928	100.0
Unknown	23		6,153		1,225		316,066	

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

Distribution of Lending by Loan Amount and Size of Business

Kingsport-Bristol-Bristol, TN-VA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	84	59.2	9,190	47.8	1,484	43.9	62,860	43.3
Over \$1 Million	56	39.4	9,682	50.4	NA	NA	NA	NA
Unknown	2	1.4	339	1.8	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	91	64.1	3,819	19.9	3,065	90.7	53,125	36.6
\$100,001-\$250,000	27	19.0	4,324	22.5	182	5.4	29,221	20.1
\$250,001-\$1 Million	24	16.9	11,068	57.6	132	3.9	62,936	43.3
Total	142	100.0	19,211	100.0	3,379	100.0	145,282	100.0

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

Distribution of Lending by Loan Amount and Size of Farm

Kingsport-Bristol-Bristol, TN-VA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	40	90.9	1,902	84.8	127	77.4	8,125	82.2
Over \$1 Million	3	6.8	300	13.4	NA	NA	NA	NA
Unknown	1	2.3	40	1.8	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	40	90.9	1,160	51.7	138	84.1	3,913	39.6
\$100,001-\$250,000	2	4.5	410	18.3	19	11.6	3,418	34.6
\$250,001-\$500k (Farm)	2	4.6	672	30.0	7	4.3	2,555	25.8
Total	44	100.0	2,242	100.0	164	100.0	9,886	100.0

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

Kingsport-Bristol-Bristol, TN-VA Geographic Distribution Tables

Distribution of HMDA Loans by Income Level of Census Tract

Kingsport-Bristol-Bristol, TN-VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(54)				(3,885)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	5	9.3	384	5.7	754	19.4	83,824	13.6
Middle	40	74.1	4,084	60.2	1,947	50.1	293,332	47.6
Upper	9	16.6	2,312	34.1	1,184	30.5	238,458	38.8
	(22)				(1,955)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	4.5	51	2.2	291	14.9	34,174	11.9
Middle	18	81.8	1,895	82.4	1,026	52.5	145,372	50.5
Upper	3	13.7	353	15.4	638	32.6	108,090	37.6
	(7)				(423)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	14.3	49	10.7	66	15.6	4,934	19.9
Middle	6	85.7	410	89.3	247	58.4	14,113	57.0
Upper	0	0.0	0	0.0	110	26.0	5,705	23.1
	(9)				(38)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	11.2	182	3.1	9	23.7	1,720	4.9
Middle	4	44.4	820	13.9	21	55.3	8,164	23.2
Upper	4	44.4	4,903	83.0	8	21.0	25,276	71.9
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	8	8.7	666	4.3	1,120	17.8	124,652	12.9
Middle	68	73.9	7,209	46.7	3,241	51.4	460,981	47.9
Upper	16	17.4	7,568	49.0	1,940	30.8	377,529	39.2
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	92	100.0	15,443	100.0	6,301	100.0	963,162	100.0

NA*-Tracts without household or family income as applicable

Distribution of HMDA Loans by Income Level of Census Tract

Kingsport-Bristol-Bristol, TN-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(30)				(4,133)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	10.0	422	8.7	771	18.7	96,357	13.3
Middle	20	66.7	2,872	59.1	2,059	49.8	343,825	47.5
Upper	7	23.3	1,562	32.2	1,303	31.5	283,541	39.2
	(18)				(3,788)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	4	22.2	735	22.7	426	11.2	54,398	8.1
Middle	7	38.9	783	24.2	1,883	49.7	320,599	47.5
Upper	7	38.9	1,722	53.1	1,479	39.1	300,418	44.4
	(2)				(327)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	50.0	184	91.1	65	19.9	4,371	18.4
Middle	1	50.0	18	8.9	163	49.8	11,058	46.6
Upper	0	0.0	0	0.0	99	30.3	8,323	35.0
	(11)				(41)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	9.0	60	1.3	15	36.6	48,005	48.4
Middle	5	45.5	2,930	64.6	15	36.6	45,417	45.8
Upper	5	45.5	1,549	34.1	11	26.8	5,682	5.8
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	9	14.8	1,401	10.9	1,277	15.4	203,131	13.3
Middle	33	54.1	6,603	51.4	4,120	49.7	720,899	47.4
Upper	19	31.1	4,833	37.7	2,892	34.9	597,964	39.3
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	61	100.0	12,837	100.0	8,289	100.0	1,521,994	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Kingsport-Bristol-Bristol, TN-VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	14	9.9	3,093	16.1	641	19.4	30,067	20.9
Middle	90	63.4	9,621	50.1	1,759	53.2	74,218	51.6
Upper	38	26.7	6,497	33.8	906	27.4	39,677	27.5
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	142	100.0	19,211	100.0	3,306	100.0	143,962	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

Kingsport-Bristol-Bristol, TN-VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	2	1.2	19	0.2
Middle	40	90.9	1,934	86.3	133	81.6	6,964	70.9
Upper	4	9.1	308	13.7	28	17.2	2,840	28.9
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	44	100.0	2,242	100.0	163	100.0	9,823	100.0

*NA-Tracts without household or family income as applicable

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

Russell, VA NonMSA Borrower Distribution Tables

Distribution of HMDA Loans by Income Level of Borrower

Russell, VA NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	6	6.6	239	3.6	200	10.6	12,513	6.4
Moderate	21	23.1	1,235	18.8	419	22.3	33,297	17.0
Middle	30	33.0	1,452	22.1	527	28.0	50,609	25.8
Upper	34	37.3	3,630	55.5	736	39.1	99,486	50.8
Total	91	100.0	6,556	100.0	1,882	100.0	195,905	100.0
Unknown	16		3,248		287		39,978	

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

Distribution of HMDA Loans by Income Level of Borrower

Russell, VA NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	5	11.4	209	5.3	209	9.2	14,396	5.0
Moderate	11	25.0	684	17.5	510	22.4	47,914	16.8
Middle	13	29.5	778	19.9	608	26.7	69,864	24.5
Upper	15	34.1	2,243	57.3	951	41.7	153,232	53.7
Total	44	100.0	3,914	100.0	2,278	100.0	285,406	100.0
Unknown	13		2,590		398		62,711	

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

Distribution of Lending by Loan Amount and Size of Business

Russell, VA NonMSA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	99	76.2	7,716	57.5	993	46.6	37,858	45.6
Over \$1 Million	29	22.3	5,546	41.3	NA	NA	NA	NA
Unknown	2	1.5	167	1.2	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	96	73.8	2,913	21.7	1,965	92.3	33,064	39.8
\$100,001-\$250,000	19	14.6	3,151	23.5	97	4.6	16,071	19.3
\$250,001-\$1 Million	15	11.6	7,365	54.8	68	3.1	33,965	40.9
Total	130	100.0	13,429	100.0	2,130	100.0	83,100	100.0

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

Distribution of Lending by Loan Amount and Size of Farm

Russell, VA NonMSA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	78	98.7	4,489	97.6	271	85.8	15,783	96.2
Over \$1 Million	1	1.3	111	2.4	NA	NA	NA	NA
Unknown	0	0.0	0	0.0	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	65	82.3	1,317	28.6	270	85.4	6,715	40.9
\$100,001-\$250,000	8	10.1	1,338	29.1	34	10.8	5,398	32.9
\$250,001-\$500k (Farm)	6	7.6	1,945	42.3	12	3.8	4,286	26.2
Total	79	100.0	4,600	100.0	316	100.0	16,399	100.0

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

Russell, VA NonMSA Geographic Distribution Tables

Distribution of HMDA Loans by Income Level of Census Tract

Russell, VA NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(50)				(1,329)			
	Home Purchase							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	15	30.0	1,067	20.8	350	26.3	32,994	22.5
Middle	32	64.0	2,799	54.5	810	60.9	90,680	61.9
Upper	3	6.0	1,269	24.7	169	12.8	22,766	15.6
	(44)				(723)			
	Refinance							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	16	36.4	903	26.4	200	27.7	20,028	25.0
Middle	27	61.4	2,488	72.9	460	63.6	50,894	63.4
Upper	1	2.2	23	0.7	63	8.7	9,293	11.6
	(9)				(103)			
	Home Improvement							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	8	88.9	295	80.8	41	39.8	1,884	38.6
Middle	1	11.1	70	19.2	54	52.4	2,562	52.5
Upper	0	0.0	0	0.0	8	7.8	433	8.9
	(4)				(14)			
	Multi-Family							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	50.0	720	80.9	4	28.6	838	19.3
Middle	2	50.0	170	19.1	8	57.1	2,651	61.0
Upper	0	0.0	0	0.0	2	14.3	860	19.7
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	41	38.3	2,985	30.4	595	27.4	55,744	23.6
Middle	62	57.9	5,527	56.4	1,332	61.4	146,787	62.2
Upper	4	3.8	1,292	13.2	242	11.2	33,352	14.2
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	107	100.0	9,804	100.0	2,169	100.0	235,883	100.0

NA*-Tracts without household or family income as applicable

Distribution of HMDA Loans by Income Level of Census Tract

Russell, VA NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(33)				(1,349)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	13	39.4	1,059	31.8	368	27.5	39,303	23.7
Middle	20	60.6	2,267	68.2	816	61.0	104,989	63.3
Upper	0	0.0	0	0.0	153	11.5	21,552	13.0
	(16)				(1,168)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	7	43.8	504	36.3	298	25.5	36,266	22.4
Middle	9	56.2	884	63.7	735	62.9	103,083	63.8
Upper	0	0.0	0	0.0	135	11.6	22,312	13.8
	(4)				(86)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	4	100.0	216	100.0	30	34.9	1,216	27.9
Middle	0	0.0	0	0.0	50	58.1	2,701	61.9
Upper	0	0.0	0	0.0	6	7.0	443	10.2
	(4)				(15)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	50.0	736	46.8	9	60.0	3,735	54.6
Middle	2	50.0	838	53.2	6	40.0	3,104	45.4
Upper	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	26	45.6	2,515	38.7	705	27.1	80,520	23.8
Middle	31	54.4	3,989	61.3	1,607	61.7	213,877	63.1
Upper	0	0.0	0	0.0	294	11.2	44,307	13.1
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	57	100.0	6,504	100.0	2,606	100.0	338,704	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Russell, VA NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	52	40.0	3,874	28.8	621	30.5	19,709	24.2
Middle	67	51.5	8,185	61.0	1,222	59.9	55,311	68.0
Upper	11	8.5	1,370	10.2	196	9.6	6,361	7.8
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	130	100.0	13,429	100.0	2,039	100.0	81,381	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

Russell, VA NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	23	29.1	908	19.7	72	23.2	2,773	17.0
Middle	52	65.8	3,294	71.6	226	72.9	12,969	79.4
Upper	4	5.1	398	8.7	12	3.9	599	3.6
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	79	100.0	4,600	100.0	310	100.0	16,341	100.0

*NA-Tracts without household or family income as applicable

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

Mercer, WV NonMSA Borrower Distribution Tables

Distribution of HMDA Loans by Income Level of Borrower

Mercer, WV NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	3	13.6	104	2.9	67	9.4	4,106	5.0
Moderate	2	9.1	90	2.5	153	21.4	13,263	16.2
Middle	6	27.3	280	7.9	190	26.6	20,348	24.9
Upper	11	50.0	3,089	86.7	305	42.6	43,964	53.9
Total	22	100.0	3,563	100.0	715	100.0	81,681	100.0
Unknown	7		1,245		146		30,784	

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

Distribution of HMDA Loans by Income Level of Borrower

Mercer, WV NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	1	7.1	39	2.8	51	5.2	3,955	3.0
Moderate	3	21.4	85	6.0	208	21.2	20,560	15.5
Middle	0	0.0	0	0.0	231	23.5	27,551	20.8
Upper	10	71.5	1,291	91.2	491	50.1	80,529	60.7
Total	14	100.0	1,415	100.0	981	100.0	132,595	100.0
Unknown	7		812		166		27,006	

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

Distribution of Lending by Loan Amount and Size of Business

Mercer, WV NonMSA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	45	57.7	3,389	43.3	390	44.4	17,593	38.7
Over \$1 Million	33	42.3	4,434	56.7	NA	NA	NA	NA
Unknown	0	0.0	0	0.0	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	62	79.5	2,679	34.2	779	88.6	17,184	37.8
\$100,001-\$250,000	9	11.5	1,847	23.6	63	7.2	10,830	23.8
\$250,001-\$1 Million	7	9.0	3,297	42.2	37	4.2	17,451	38.4
Total	78	100.0	7,823	100.0	879	100.0	45,465	100.0

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

Mercer, WV NonMSA Geographic Distribution Tables

Distribution of HMDA Loans by Income Level of Census Tract

Mercer, WV NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(14) Home Purchase				(601)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	14.3	48	3.7	105	17.5	10,550	15.2
Middle	8	57.1	356	27.5	343	57.1	36,718	52.8
Upper	4	28.6	889	68.8	153	25.4	22,295	32.0
	(7) Refinance				(213)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	28.6	269	33.2	30	14.1	2,341	9.6
Middle	3	42.9	244	30.1	119	55.9	13,371	55.1
Upper	2	28.5	298	36.7	64	30.0	8,572	35.3
	(4) Home Improvement				(34)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	25.0	17	4.2	3	8.8	167	8.6
Middle	2	50.0	98	24.4	19	55.9	1,130	58.4
Upper	1	25.0	286	71.4	12	35.3	638	33.0
	(4) Multi-Family				(13)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	25.0	367	15.9	4	30.8	884	5.3
Middle	2	50.0	1,717	74.6	7	53.8	15,455	92.6
Upper	1	25.0	219	9.5	2	15.4	344	2.1
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	6	20.7	701	14.6	142	16.5	13,942	12.4
Middle	15	51.7	2,415	50.2	488	56.7	66,674	59.3
Upper	8	27.6	1,692	35.2	231	26.8	31,849	28.3
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	29	100.0	4,808	100.0	861	100.0	112,465	100.0

NA*-Tracts without household or family income as applicable

Distribution of HMDA Loans by Income Level of Census Tract

Mercer, WV NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(12)				(624)			
	Home Purchase							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	5	41.7	199	26.5	101	16.2	12,169	15.2
Middle	3	25.0	170	22.7	364	58.3	44,300	55.2
Upper	4	33.3	381	50.8	159	25.5	23,812	29.6
	(6)				(489)			
	Refinance							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	16.7	39	4.9	56	11.5	8,516	11.9
Middle	4	66.7	695	87.0	266	54.4	36,051	50.3
Upper	1	16.6	65	8.1	167	34.1	27,157	37.8
	(0)				(25)			
	Home Improvement							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	3	12.0	181	11.8
Middle	0	0.0	0	0.0	12	48.0	588	38.3
Upper	0	0.0	0	0.0	10	40.0	768	49.9
	(3)				(9)			
	Multi-Family							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	33.3	187	27.6	2	22.2	501	8.3
Middle	2	66.7	491	72.4	6	66.7	4,978	82.2
Upper	0	0.0	0	0.0	1	11.1	580	9.5
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	7	33.3	425	19.1	162	14.1	21,367	13.4
Middle	9	42.9	1,356	60.9	648	56.5	85,917	53.8
Upper	5	23.8	446	20.0	337	29.4	52,317	32.8
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	21	100.0	2,227	100.0	1,147	100.0	159,601	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Mercer, WV NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	20	25.6	3,393	43.4	256	29.7	16,505	36.5
Middle	41	52.6	3,617	46.2	447	51.9	22,800	50.4
Upper	17	21.8	813	10.4	158	18.4	5,957	13.1
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	78	100.0	7,823	100.0	861	100.0	45,262	100.0

NA*-Tracts without household or family income as applicable

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

CRA APPENDIX D

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 volumes include all bank deposits and is current as of June 30, 2021.

Assessment Area	HMDA/CRA Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Kingsport-Bristol-Bristol, TN-VA	766	38.6%	\$110,517	50.3%	6	30%	\$165,988	23.3%
Russell, VA NonMSA	869	43.7%	\$73,230	33.4%	12	60%	\$466,802	65.5%
Mercer, WV NonMSA	352	17.7%	\$35,818	16.3%	2	10%	\$79,429	11.2%
Total	1,987	100%	\$219,565	100%	20	100%	\$ 712,219	100%

CRA APPENDIX E
ASSESSMENT AREA COMPOSITION

Assessment Area Name	City/County	State	Census Tracts Included
Kingsport-Bristol-Bristol, TN-VA	Bristol City	VA	All
	Washington County	VA	All
	Scott County	VA	All
	Sullivan County	TN	All
Russell, VA NonMSA	Buchanan County	VA	All
	Dickenson County	VA	All
	Norton City	VA	All
	Russell County	VA	All
	Smyth County	VA	All
	Tazewell County	VA	All
	Wise County	VA	All
Mercer, WV NonMSA	Mercer County	WV	All

CRA APPENDIX F

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 and Community Development 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 and Community Development 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.