



**PUBLIC DISCLOSURE**

**May 17, 2021**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Atlantic Union Bank**

**RICHMOND, 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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693224

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Suite 1200

Richmond, Virginia 23219

**Federal Reserve Bank of Richmond  
P. O. Box 27622  
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**INSTITUTION RATING**

**INSTITUTION'S CRA RATING:** Atlantic Union Bank is rated "SATISFACTORY."

The following table indicates the performance level of Atlantic Union Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>ATLANTIC UNION BANK</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

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

Major factors supporting the institution's rating include:

- Lending activity reflects an excellent responsiveness to local credit needs consistent with the bank's capacity and economic conditions.
- A substantial majority of the institution's Home Mortgage Disclosure Act (HMDA) and small business and small farm loans were originated within the bank's assessment areas.
- The overall geographic distribution performance is considered excellent, while the borrower distribution performance is considered adequate overall.
- The bank exhibits a good record of serving the credit needs of low-income individuals and geographies as well as very small businesses and farms.
- Overall, the bank originated an adequate level of community development loans during the evaluation period and made limited use of flexible lending practices in serving assessment area credit needs.
- The bank has a significant level of qualified community development investments that demonstrate good responsiveness to local credit and community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.

- Delivery systems and branch locations are accessible to geographies and individuals of different income levels within the institution's assessment areas.
- Banking services do not vary in a way that inconveniences the bank's assessment areas, particularly to low- and moderate-income areas and/or people.
- The bank's opening of branch locations generally did not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income people and areas.
- During the evaluation period, the bank provided an adequate level of qualified community development services given its capacity and available opportunities within its assessment areas.
- The rating was not influenced by evidence of discrimination.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

Atlantic Union Bankshares Corporation, a single-bank corporation, owns Atlantic Union Bank (AUB), both of which are headquartered in Richmond, Virginia. Since the previous evaluation, the bank acquired Access National Corporation (ANC) and its subsidiary, Access National Bank, on February 1, 2019. AUB received a satisfactory rating at its prior Community Reinvestment Act (CRA) evaluation conducted June 11, 2018.

AUB currently operates 129 full-service branch offices and serves 16 assessment areas throughout Virginia, northeastern and central North Carolina, and southeastern Maryland. Appendix E outlines the composition of the bank’s assessment areas. Since the previous evaluation, AUB has closed 31 branch offices while opening one branch as outlined in Appendix F. Two of the branch closures were located in low-income census tracts, while four branch closures were located in moderate-income census tracts. In addition, the ANC acquisition accounted for an addition of 11 branch offices which are also outlined in Appendix F. Two of the acquired branch offices are located in moderate-income census tracts.

As of March 31, 2021, AUB had assets of \$19.8 billion, of which 71.6% were net loans and 16.4% were securities. Deposits totaled \$16.4 billion as of the same time period. Various deposit and loan products are available throughout the institution including loans for residential mortgage, consumer, and business purposes. The composition of the loan portfolio (using gross loans) as of March 31, 2021, is represented in the following table:

#### Composition of Loan Portfolio

Loan Type	3/31/2021	
	\$(000s)	%
Secured by 1-4 Family dwellings	2,087,836	14.6
Multifamily	842,906	5.9
Construction and Development	884,303	6.2
Commercial & Industrial/ NonFarm NonResidential	9,354,509	65.3
Consumer Loans and Credit Cards	622,060	4.3
Agricultural Loans/ Farmland	45,412	0.3
All Other	484,336	3.4
<b>Total</b>	<b>14,321,362</b>	<b>100.0</b>

As indicated in the preceding table, AUB is an active commercial and residential mortgage lender. The bank offers other loans such as consumer and farm loans; however, the dollar volume of such lending is relatively small in comparison to its commercial and residential mortgage lending. Based on its financial capacity, there are no significant limitations on the bank’s ability to meet credit needs within the communities it serves.

### SCOPE OF EXAMINATION

AUB was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC). AUB is required to report certain information regarding its home mortgage lending in accordance with the Home Mortgage Disclosure Act (HMDA) as well as collect loan data for small business and small farm loans in accordance with the CRA. While the bank has reported its 2020 HMDA and CRA data, that data is not included in this analysis because the 2020 aggregate data is not yet available. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2020 is an important performance context factor needed to evaluate the bank’s lending performance, especially since the pandemic occurred during most of 2020. Accordingly, the bank’s 2018 and 2019 HMDA and CRA loan originations and purchases were considered in the evaluation. Since AUB reported only 102 small farm loans totaling

approximately \$9.2 million in two calendar years within their assessment areas, further analysis of these loans was not warranted within the geographic and borrower distributions, as doing so would not yield meaningful conclusions relative to rating the bank's performance. Loans extended or purchased by other affiliates or subsidiaries are not included or considered in the evaluation. Throughout the analysis of lending, loans without a reported income (in the case of borrower distribution) and loans where the reported geographic information is incomplete (in the case of geographic distribution), are excluded from both bank loan totals and comparative aggregate lending totals.

The evaluation also considers any qualified community development loans, investments, and services originated, renewed, purchased, or provided since the previous evaluation dated June 11, 2018. In addition, all qualified investments outstanding as of the evaluation date were considered, regardless of when made.

To help determine the availability of community development opportunities in specific assessment areas, the CRA public evaluations of other financial institutions operating in these same areas were reviewed. Additionally, in some markets contact with members of the community were made to discern information about local economic conditions, local credit needs, performance of banks in the assessment area, as well as potential community development opportunities.

Due to its branch locations, an overall rating and ratings for the lending, investment, and service tests are assigned to the institution, the multistate assessment area, the Commonwealth of Virginia, and the States of North Carolina and Maryland. The state ratings are based only on the performance in the assessment areas subject to full scope review, but excludes activity in the multistate assessment area, as this is rated separately. For assessment areas that are reviewed utilizing the limited scope examination procedures, a determination is made as to whether performance is consistent with the overall state rating. During the review period, the U.S. Office of Management and Budget (OMB) released revised delineations of Metropolitan Statistical Areas/Metropolitan Divisions which was effective for data collected as of January 1, 2019, according to the FFIEC. As such, the composition of several of the bank's assessment areas have changed between 2018 and 2019 which will affect the lending activity analyses in these markets. The assessment area compositions for each year are reflected in Appendix E.

The following assessment areas were evaluated using the FFIEC's full scope examination procedures because of their relative size as determined by loan activity, proportion of bank deposits, and market population:

- Virginia Beach-Norfolk, VA-NC
- Washington-Baltimore-Alexandria, VA
- Richmond, VA
- Raleigh-Cary, NC
- Salisbury, MD

The remaining 11 assessment areas were subject to limited scope reviews as provided for by the FFIEC examination procedures. Appendix D includes data about the distribution of lending, branches, and deposits by assessment area.

The institution's overall rating for each test is based on the ratings assigned to the Virginia Beach-Norfolk, VA-NC multistate assessment area, Virginia, North Carolina, and Maryland. Performance within each multistate assessment area or state is weighted primarily according to the level of associated bank activity as measured by relative lending volume, amount of deposits, and the number of branches. According to evaluation procedures, the lending test performance accounts for half of the overall rating, while the investment and service tests are equally weighted and account for the remaining half of the overall rating.



## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

AUB's overall lending test performance is rated “High Satisfactory.” This rating considers the bank's lending activity, assessment area concentration, geographic and borrower distribution performance, and community development lending. In addition, the bank’s level of responsiveness and innovation in serving the credit needs of its assessment areas are also considered. These components are discussed in the following sections.

Reported residential mortgage data, as well as reported small business data from calendar years 2018 and 2019 were fully analyzed and 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. The most recent update occurred in 2017. As such, when evaluating the bank’s performance, relevant area demographic data from 2015 ACS is used as a proxy for demand. Dun & Bradstreet (D&B) business demographic data from 2018 and 2019 are also considered when evaluating the bank’s performance.

During 2018 and 2019, the bank reported approximately \$999.4 million in HMDA, \$890.9 million in small business, and \$9.2 million in small farm loans within its assessment areas. In assessing the bank’s HMDA lending performance, consideration was given to all HMDA loan categories and the associated performance for each, and the proportion of each category relative to the bank’s total reported HMDA activity. In general, greater weight was given to loan categories and years with higher associated dollar volume. While HMDA and small business data from calendar years 2018 and 2019 were fully analyzed and considered in the evaluation, only bank and aggregate data from 2019 are presented in the assessment area analysis tables. In instances where HMDA or small business distribution performance in 2018 varies significantly from the performance noted during 2019, such variance and the corresponding impact on the overall performance are discussed. In addition, while small farm loans were included in the comparison of credit extended inside and outside of the bank's assessment areas, these loans were excluded from the geographic and borrower distribution performance analyses given the limited volume.

Within AUB’s assessment areas, a high level of small business lending activity was reported by specialized lenders, who often originate or purchase small business loans in the form of credit cards. The loans, however, tend to be much smaller in size than traditional small business bank loans, and a substantial majority of such loans do not have revenue data reported. The presence of these lenders is reflected in a smaller market share for traditional lenders and tends to understate the percentage of aggregate lending to businesses with annual revenues of \$1 million or less. These factors were considered as an aspect of performance context when evaluating the level and distribution of small business lending.

#### **Lending Activity:**

Since September 30, 2018, bank assets, loans, and deposits increased by 48.4%, 51.3%, and 66.5%, respectively. A portion of this growth reflects the acquisition of ANC during the review period. Within the bank’s footprint, by both number and dollar volume of loans during the evaluation period, more HMDA reportable loans were originated than small business loans. Of the HMDA reportable loans, other purpose lines of credit and home purchase loans were the bank’s leading loan products, followed by refinance and home improvement loans. The following table summarizes the bank’s lending activity in 2018 and 2019.

**Summary of Lending Activity**

Loan Type	#	%	\$(000)	% of \$
Home Improvement	910	8.43	77,590	3.39
Home Purchase	1,761	16.32	442,325	19.31
Multi-Family Housing	70	0.65	138,246	6.03
Refinancing	1,552	14.39	327,810	14.31
Loan Purpose Not Applicable	194	1.80	69,557	3.04
Other Purpose Closed-End	165	1.53	7,986	0.35
Other Purpose LOC	2,101	19.47	220,756	9.64
<b>Total HMDA related</b>	<b>6,753</b>	<b>63</b>	<b>1,284,270</b>	<b>56</b>
Small Business	3,930	36.43	997,314	43.53
Small Farm	106	1.00	9,502	0.40
<b>TOTAL LOANS</b>	<b>10,789</b>	<b>100</b>	<b>2,291,086</b>	<b>100</b>

As of June 30, 2019, the institution ranked 8<sup>th</sup> out of 130 financial institutions in deposit market share with 3.6% of the institution’s total assessment areas’ available FDIC insured deposits (credit unions deposits are not included). When compared to 2019 aggregate data, the institution ranked 35<sup>th</sup> of 1,030 reporters of mortgage lending with a .8% market share and ranked 14<sup>th</sup> of 245 reporters of small business loans with a .9% market share. All market share ranking consider originated and purchased loans. Lending activity is discussed in more detail in the multistate, state, and full scope assessment area sections later in this report. Overall, lending activity at the institutional level is considered excellent.

**Assessment Area Concentration:**

To determine the institution’s volume of lending within its assessment areas, the geographic location of the bank’s originations and purchases for specific loan types from January 1, 2018, through December 31, 2019, was 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	912	51.8	234,985	53.1	849	48.2	207,340	46.9
Home Improvement	886	97.4	75,563	97.4	24	2.6	2,027	2.6
Refinancing	1,154	74.4	242,683	74.0	398	25.6	85,127	26.0
Multi-Family Housing	60	85.7	109,220	79.0	10	14.3	29,026	21.0
Loan Purpose Not Applicable	155	79.9	57,074	82.1	39	20.1	12,483	17.9
Other Purpose Closed/Exempt	160	97.0	7,767	97.3	5	3.0	219	2.7
Other Purpose LOC	2,059	98.0	214,991	97.4	42	2.0	5,765	2.6
<b>Total HMDA related</b>	<b>5,386</b>	<b>79.8</b>	<b>999,357</b>	<b>74.5</b>	<b>1,367</b>	<b>20.2</b>	<b>341,987</b>	<b>25.5</b>
Small Business	3,624	92.2	890,929	89.3	306	7.8	106,385	10.7
Small Farm	102	96.2	9,232	97.2	4	3.8	270	2.8
<b>TOTAL LOANS</b>	<b>9,112</b>	<b>84.5</b>	<b>1,899,518</b>	<b>80.9</b>	<b>1,677</b>	<b>15.5</b>	<b>448,642</b>	<b>19.1</b>

As indicated in the preceding table, a substantial majority of the total number (84.5%) and dollar amount (80.9%) of loans were extended to residents and businesses within the bank’s assessment areas. Overall, the percentage of loans made within AUB’s assessment areas is considered highly responsive to community credit needs.

### **Geographic and Borrower Distribution:**

The geographic and borrower 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. When evaluating the geographic and borrower distribution for a specific loan category (HMDA and small business) within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated or purchased. When considering all loan products to arrive at an overall conclusion, the level of performance of each category is typically weighted by the dollar volume of each category. Similarly, when the performance of multiple assessment areas is considered to reach state and institutional ratings, the levels of performance of the assessment areas subject to full scope reviews are weighted primarily according to their dollar volume during the review period. In all cases, conclusions additionally take into consideration relevant performance context factors, such as the previously noted lending activity of specialized credit card lenders, which is relevant when evaluating the bank's small business lending distribution by revenue of business using aggregate data as a proxy for demand.

While the geographic and borrower distribution of loans in the markets reviewed using the full scope review examination procedures is varied, overall geographic distribution is considered excellent, while borrower distribution is considered adequate.

### **Community Development Lending:**

The bank provides an adequate level of community development loans for a variety of community development purposes, originating or renewing 49 such loans totaling approximately \$149.4 million. These loans were made to borrowers that develop affordable housing, offer community services to low- and moderate-income borrowers, or promote economic development within the bank's markets. Community development loans that benefit the multistate, statewide and/or assessment area levels are discussed within the corresponding sections of this evaluation.

In addition to the loans mentioned above, AUB originated loans as a part of the Paycheck Protection Program (PPP) in response to the COVID-19 pandemic. More specifically, the bank originated 377 loans totaling approximately \$807.2 million as a part of the PPP for loans with amounts greater than \$1 million. Subsequently, these loans counted as qualified community development loans during the evaluation. Loans that were \$1 million or less will be evaluated during the next CRA performance evaluation as a part of the lending test, as these were reported on the institution's CRA Loan Application Register. PPP loans specific to each assessment area will be further discussed in applicable sections within this evaluation.

### **INVESTMENT TEST**

The institution's level of responding to community development needs through its investment activities is rated "High Satisfactory." Investments in equity housing funds, low-income mortgage loan pools, small business venture capital companies, and qualified community development bonds have been made. These investments are considered responsive to community credit needs. As of May 17, 2021, AUB held \$96.2 million in qualified investments, of which \$73.4 million directly impacted the bank's assessment areas. The total qualified investments represent 3% of total securities and .5% of total assets. Of the qualified investments, approximately \$64 million directly benefits regional or statewide areas that include one or more of the bank's assessment areas. Investments that were allocated specifically across the bank's assessment areas are further discussed within the corresponding evaluations of this evaluation.

The bank's qualified investments across regional and statewide areas include the following:

- \$19.6 million in 25 qualified housing bonds issued by the Virginia Housing Development Authority (VHDA) benefits the statewide area, including the bank's assessment areas. VHDA bonds provide affordable housing to low- and moderate-income borrowers or in low- and moderate-income areas throughout the Commonwealth of Virginia.
- \$25.8 million, of which \$8.4 million is committed but not yet funded, in 11 housing equity funds administered through the Virginia Community Development Corporation (VCDC), which is the parent of the Virginia Community Development Fund, a chartered Community Development Financial Institution (CDFI). The funds facilitate the development and financing of affordable housing through the Commonwealth of Virginia utilizing the federal low-income housing tax credit (LIHTC) program.
- \$500,000 in a certificate of deposit issued by the Community Capital Bank of Virginia (CCB), a subsidiary of non-profit holding company, Virginia Community Capital (VCC). CCB is a non-profit CDFI that provides loans and investments for affordable housing and economic development projects in the Commonwealth.
- \$3.5 million in a qualified CRA fund which invests in projects specifically designed for community development purposes including affordable housing and economic development throughout the institution's assessment areas.
- A \$2 million investment in VCC, which is a CDFI. The fund facilitates job creation, economic development, and affordable housing throughout the Commonwealth of Virginia.
- \$27.3 million in 11 various qualified investment funds, of which \$4.5 million directly benefits the bank's assessment areas or statewide areas. These funds specifically invest in job creation and economic development for small businesses.
- A \$2 million investment in the Community Affordable Housing Equity Corporation (CAHEC) Fund, of which \$1.7 million has been funded. The fund invests in the federal LIHTC program in order to provide for the continued occupancy of properties by low-income residents in several of AUB's assessment areas.
- A \$6 million investment in the PNC LIHTC Fund, of which \$630,100 has been funded. The fund invests in LIHTC projects which helps provide affordable housing for low- and moderate-income residents in several of the bank's assessment areas.

The institution also actively supports community development organizations through grants and/or donations. Since the previous evaluation, donations totaling approximately \$638,466 were made to community development organizations whose operations assist low- and moderate-income people, promote economic development or revitalization efforts, as well as provide affordable housing.

## **SERVICE TEST**

The bank's overall performance under the service test is rated "Low Satisfactory." This rating considers the accessibility of delivery systems, reasonableness of hours and services, changes in branch office locations, and the level of community development services.

Delivery systems, branch locations, and hours of operation are considered accessible and convenient to all portions of the assessment areas. Of the 129 full service branch offices, two (1.6%) are located within low-income areas and 28 (21.7%) are located in moderate-income areas. Alternative delivery systems provide access to banking services through online and mobile banking, 24-hour ATM access, bank-by-mail and bank-by-phone services, and cash management programs for small businesses. Branch openings and closings since the previous evaluation have generally not adversely affected low-

and moderate-income areas, as two branches were closed in low-income tracts and four branches were closed in moderate-income tracts, but three branches in moderate-income areas were acquired during the evaluation period along with eight branches in upper income areas and one branch in a middle income area. Additionally, business hours and services are considered convenient across geographies of different income levels within the assessment areas.

AUB provides an adequate level of community development services to community development organizations within its various assessment areas, including the support of community services, affordable housing, and economic development initiatives. Employees provided financial or technical expertise to approximately 83 organizations in its assessment areas. Specific examples of services provided across the bank's footprint and impacting a majority of the assessment areas include:

- Virginia Housing Development Authority – A bank officer was appointed by the governor of the Commonwealth of Virginia to serve on the Board of Commissioners for this organization which was created to help residents attain quality, affordable housing. The organization provides mortgages for first-time homebuyers, finances revitalization efforts, offers housing counseling, and administers the federal Housing Choice Voucher and Housing Credit programs in Virginia.
- Housing Virginia – An officer serves as a board member for this non-profit organization which addresses affordable housing concerns and issues within the Commonwealth of Virginia. The organization is a statewide partnership of public and private organizations committed to providing individuals access to quality affordable housing in suitable locations.
- Virginia Council on Economic Education (VCEE) – Several employees provided financial literacy to local schools through this resource which provides training and classroom resources to schools for economic and financial education at little or no cost.
- Virginia Supportive Housing – An officer serves as a board member for this non-profit organization which provides permanent housing and supportive services to the homeless throughout the Commonwealth of Virginia.

Activities at the multistate, statewide, and/or assessment area levels are discussed within the corresponding sections of this evaluation.

As a response to the COVID-19 pandemic, AUB expanded deposit and loan services in a variety of ways that assisted both consumers and small businesses, including low- and moderate-income customers and customers located in low- and moderate-income geographies, in the areas of fee relief, loan assistance, and cash availability. The bank waived overdraft and ATM fees for customers experiencing hardships as well as waived early withdrawal penalties for certificates of deposits. In addition, AUB extended timeframes prior to closing down deposit accounts with negative balances while also providing credit to accounts with negative balances prior to those accounts receiving Economic Impact Payments. Loan assistance programs were initiated to allow customers, including small businesses, to defer or skip payments for mortgages and other installment loans. Further, a third-party credit card provider provided accommodations for bank customers with credit cards. Repossessions and foreclosures were also suspended for a period of time.

#### **ASSESSMENT AREA DELINEATIONS**

A review of the bank's assessment areas found that its delineations complied with the requirements of Regulation BB. Assessment area delineations include all of the bank's branches and deposit taking automated teller machines. As delineated, the bank's assessment areas include whole political subdivisions, did not reflect illegal discrimination (e.g. through the exclusion of majority-minority census tracts), and did not arbitrarily exclude low- or moderate-income census tracts.

## **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the CFPB. In general, the Dodd-Frank Act gives the CFPB, among other things, primary examination and enforcement authority over insured depository institutions with total assets of more than \$10 billion when assessing compliance with the requirements of Federal consumer financial laws, including AUB. The Federal Reserve, however, retains authority to enforce compliance with the bank's CRA and certain other consumer compliance laws and regulations. During the review period of this evaluation from June 11, 2018, to May 17, 2021, the Federal Reserve did not cite violations involving discriminatory or other illegal credit practices that adversely affected the Federal Reserve's evaluation of the bank's CRA performance.

## MULTISTATE METROPOLITAN AREA

### *CRA RATING FOR VIRGINIA BEACH-NORFOLK, VA-NC<sup>1</sup>: Satisfactory*

*The lending test is rated: High Satisfactory*

*The investment test is rated: High Satisfactory*

*The service test is rated: Low Satisfactory*

Major factors supporting the rating include:

- Lending activity reflects an excellent responsiveness to community credit needs given the bank's capacity within a highly competitive market.
- Geographic distribution performance is considered excellent while borrower distribution performance is considered adequate overall.
- Overall, the bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses.
- The bank makes a relatively high level of community development loans that demonstrate a good responsiveness to local credit needs, and made limited use of flexible lending practices in serving the assessment area's credit needs.
- AUB has a significant level of qualified investments that benefits this assessment area exhibiting a good responsiveness to community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are reasonably accessible to all segments of the assessment area. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area.
- Branch closings generally did not adversely affect the accessibility of its delivery systems to low- and moderate-income individuals or to low- and moderate-income neighborhoods.
- The institution's employees provide an adequate level of participation in community development services within the assessment area.

### SCOPE OF EXAMINATION

The lending test review considered HMDA and small business loans, originated or purchased, from January 1, 2018, through December 31, 2019. Small farm loans were excluded from further analysis given the limited volume of originations during the review period. Community development loans made during this period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or outstanding as of the evaluation date, regardless of when made, were also considered.

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

## **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE VIRGINIA BEACH-NORFOLK, VA-NC ASSESSMENT AREA**

AUB delineates a portion of the Virginia Beach-Norfolk, VA-NC CSA assessment area, including parts of the Virginia Beach-Norfolk-Newport News, VA-NC MSA, Elizabeth City, NC Micropolitan Statistical Area, and the Kill Devils Hills, NC Micropolitan Statistical Area. The OMB's revised delineations affected this assessment area, as Tyrrell County, North Carolina was removed from the assessment area in 2019 and is now a part of the bank's Chowan, NC NonMSA assessment area. Accordingly, the multiple demographic tables below reflect the changes within the assessment area. In addition, four census tracts within Pasquotank County, North Carolina are considered distressed middle-income tracts due to poverty. The complete composition of the assessment area for 2018 and 2019 is detailed in Appendix E.

Based on 2015 ACS data and the 2018 assessment area delineation, the assessment area served by the bank has a total population of 1.8 million and a median housing value of \$231,871. Within the assessment area, the owner-occupancy rate is 54.1%, which is slightly lower than the owner-occupancy rate for the Virginia Beach-Norfolk-Newport News, VA-NC MSA (55.4%) and the State of North Carolina (55.7%), and is lower than the Commonwealth of Virginia (59.2%). The percentage of families living below the poverty level in the assessment area (9.6%) is substantially similar to the rate in the entire MSA (9.5%), slightly higher than the Commonwealth of Virginia (8.2%), but lower than the State of North Carolina (12.8%). The Virginia Beach-Norfolk-Newport News, VA-NC MSA median family income during 2018 and 2019 equaled \$74,800 and \$75,800, respectively. The following table includes pertinent demographic data for the 2018 assessment area.



**Assessment Area Demographics**

Virginia Beach-Norfolk, VA-NC (Based on 2015 ACS Data and 2018 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	33	7.5	22,141	5.0	7,316	33.0	93,425	21.1
Moderate	116	26.3	103,889	23.5	17,124	16.5	77,146	17.4
Middle	156	35.4	165,127	37.3	11,994	7.3	89,908	20.3
Upper	121	27.4	150,818	34.0	5,680	3.8	182,407	41.2
NA	15	3.4	911	0.2	263	28.9		
<b>Total</b>	<b>441</b>	<b>100.0</b>	<b>442,886</b>	<b>100.0</b>	<b>42,377</b>	<b>9.6</b>	<b>442,886</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	10,624	2.6	37,473	5.7	12,409	33.1	147,993	22.5
Moderate	72,546	17.9	168,836	25.7	29,323	17.4	109,019	16.6
Middle	161,606	39.8	243,333	37.0	23,103	9.5	124,448	18.9
Upper	160,290	39.6	206,199	31.3	11,302	5.5	276,233	42.0
NA	586	0.1	1,852	0.3	360	19.4		
<b>Total</b>	<b>405,652</b>	<b>100.0</b>	<b>657,693</b>	<b>100.0</b>	<b>76,497</b>	<b>11.6</b>	<b>657,693</b>	<b>100.0</b>
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	3,196	4.0	2,876	3.9	292	5.3	28	4.2
Moderate	17,103	21.5	15,431	21.1	1,544	27.8	128	19.2
Middle	29,468	37.1	27,148	37.1	2,120	38.1	200	30.0
Upper	28,817	36.3	27,074	37.0	1,445	26.0	298	44.7
NA	864	1.1	693	0.9	158	2.8	13	1.9
<b>Total</b>	<b>79,448</b>	<b>100.0</b>	<b>73,222</b>	<b>100.0</b>	<b>5,559</b>	<b>100.0</b>	<b>667</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				92.2		7.0		0.8

\*NA-Tracts without household or family income as applicable

As previously mentioned, Tyrrell County, North Carolina is no longer a part of the Virginia Beach-Norfolk, VA-NC assessment area as of 2019 due to revised delineations by the OMB. As such, some demographic information changed between 2018 and 2019.

According to ACS data from 2015 and the 2019 assessment area delineation, the assessment area served by the bank has a total population of 1.8 million and a median housing value of \$232,133. Within the assessment area, the owner-occupancy rate is 54.1%, which is slightly lower than the owner-occupancy rate for the Virginia Beach-Norfolk-Newport News, VA-NC MSA (55.5%) and the State of North Carolina (55.7%), and is lower than the Commonwealth of Virginia (59.2%). The percentage of families living below the poverty level in the assessment area (9.6%) is substantially similar to the rate in the entire MSA (9.5%), slightly higher than the Commonwealth of Virginia (8.2%), but lower than the State of North Carolina (12.8%). The following table includes pertinent demographic data for the 2019 assessment area.

**Assessment Area Demographics**

Virginia Beach-Norfolk, VA-NC (Based on 2015 ACS Data and 2019 D&B Information)											
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income				
	#	%	#	%	#	%	#	%			
Low	31	7.0	20,440	4.6	6,842	33.5	92,105	20.8			
Moderate	114	25.9	101,597	23.0	17,079	16.8	76,341	17.3			
Middle	156	35.5	164,086	37.1	12,263	7.5	89,483	20.3			
Upper	124	28.2	154,848	35.1	5,758	3.7	183,953	41.6			
NA	15	3.4	911	0.2	263	28.9					
<b>Total</b>	<b>440</b>	<b>100.0</b>	<b>441,882</b>	<b>100.0</b>	<b>42,205</b>	<b>9.6</b>	<b>441,882</b>	<b>100.0</b>			
Households											
Owner Occupied Units by Tract	HHs by Tract		HHs < Poverty by Tract		HHs by HH Income						
	#	%	#	%	#	%					
Low	9,420	2.3	34,910	5.3	11,748	33.7	147,053	22.4			
Moderate	70,398	17.4	165,288	25.2	29,037	17.6	108,648	16.6			
Middle	159,466	39.4	242,155	36.9	23,407	9.7	123,902	18.9			
Upper	164,710	40.8	212,037	32.3	11,593	5.5	276,639	42.1			
NA	586	0.1	1,852	0.3	360	19.4					
<b>Total</b>	<b>404,580</b>	<b>100.0</b>	<b>656,242</b>	<b>100.0</b>	<b>76,145</b>	<b>11.6</b>	<b>656,242</b>	<b>100.0</b>			
Businesses by Tract and Revenue Size											
Total Businesses by Tract	Less than or = \$1 Million		Over \$1 Million		Revenue not Reported						
	#	%	#	%	#	%					
Low	2,980	3.7	2,701	3.6	266	4.9	13	2.9			
Moderate	16,963	21.2	15,411	20.8	1,475	27.4	77	17.1			
Middle	29,107	36.4	26,958	36.4	2,021	37.6	128	28.4			
Upper	29,924	37.6	28,237	38.2	1,463	27.2	224	49.8			
NA	890	1.1	726	1.0	156	2.9	8	1.8			
<b>Total</b>	<b>79,864</b>	<b>100.0</b>	<b>74,033</b>	<b>100.0</b>	<b>5,381</b>	<b>100.0</b>	<b>450</b>	<b>100.0</b>			
<b>Percentage of Total Businesses:</b>				<b>92.7</b>	<b>6.7</b>		<b>0.6</b>				

\*NA-Tracts without household or family income as applicable

Federal government opportunities with the Department of Defense as well as local government and university employment opportunities provide a large portion of area employment for residents. In addition, the manufacturing, retail, defense, education, and healthcare industries provide significant employment opportunities. Several of the largest employers include Sentara Healthcare, Wal-Mart, Huntington Ingalls Industries, Canon, Anthem, Target, Food Lion, Stihl, and Cox Communications Hampton. Recent and historical unemployment rates since the previous evaluation are included in the following table.

Geographic Area	July 2018	July 2019	July 2020	January 2021
Chesapeake City, VA	3.2%	3%	8.1%	5.6%
Gloucester County, VA	2.7%	2.6%	6.7%	5%
Hampton City, VA	4.3%	3.9%	11.2%	8%
James City County, VA	3%	2.8%	8.7%	5.9%
Mathews County, VA	2.8%	2.8%	5.5%	4.7%
Newport News City, VA	3.8%	3.6%	11.6%	7.9%
Norfolk City, VA	3.9%	3.7%	11.7%	8.4%
Poquoson City, VA	2.8%	2.5%	5.1%	3.7%
Portsmouth City, VA	4.3%	4.1%	12.9%	9.9%
Suffolk City, VA	3.5%	3.2%	8.6%	6.4%
Virginia Beach City, VA	3%	2.8%	7.7%	5.4%
Williamsburg City, VA	4.3%	4.4%	9.9%	6.9%
York County, VA	2.9%	2.8%	6.9%	4.7%
Camden County, NC	3.8%	4.2%	6%	4.8%
Currituck County, NC	3.5%	3.7%	6.4%	5.6%
Dare County, NC	3.6%	3.7%	8.1%	10.3%
Gates County, NC	4.2%	4.3%	6.8%	5.1%
Pasquotank County, NC	4.9%	5.1%	8.2%	6.9%
Perquimans County, NC	5.1%	5.3%	7.4%	6.4%
Virginia Beach-Norfolk-Newport News, VA-NC MSA	3.4%	3.2%	9.2%	6.5%
Elizabeth City, NC Micropolitan Statistical Area	4.7%	4.9%	7.7%	6.4%
Kill Devil Hills, NC Micropolitan Statistical Area	3.7%	3.7%	8.1%	10.2%
Virginia Beach-Norfolk, VA-NC CSA	3.5%	3.3%	9.2%	6.6%
Commonwealth of Virginia	3%	2.8%	8.1%	5.7%
State of North Carolina	4.2%	4.1%	9.3%	6%

As reflected in the table above, unemployment rates across the assessment area significantly increased in 2020 as a result of the pandemic; however, rates fell throughout the assessment area in 2021, but still remain above unemployment rates preceding the pandemic. Unemployment rates in cities and counties throughout the assessment area varied in relation to those of their respective states. Similarly, rates for the Virginia Beach-Norfolk, VA-NC CSA varied in relation to the Commonwealth of Virginia and State of North Carolina.

Two community officials were contacted during the evaluation to assist in evaluating the bank's CRA performance. One affordable housing contact identified a need for more affordable housing, as some waiting lists have been closed during a time when not all those who need affordable housing have been identified. The contact also stated that banks could assist the community by investing in projects with LIHTCs and providing down payment assistance programs for home buyers. The official was not aware of any bank participating in discriminatory acts.

An economic development official noted larger banks are moving out of certain areas in the region creating opportunities for smaller institutions. This lack of resources makes it challenging for small business owners to access funding. In addition, the contact stated there is an opportunity to offer financial literacy programs for small businesses in the area. No evidence of any banks participating in discriminatory acts was identified.

Overall, there is reasonable opportunity for community development loans and investments within the market area. Despite a competitive market, AUB faces no significant constraints in taking advantage of all available community development opportunities.

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## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE VIRGINIA BEACH-NORFOLK, VA-NC ASSESSMENT AREA

### LENDING TEST

The institution's lending performance within this assessment area is considered high satisfactory. This conclusion is based on an evaluation of the institution's lending activity, the geographic and borrower distribution of lending, as well as the level of community development lending, while taking into account the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data.

#### **Lending Activity:**

The bank's HMDA and small business lending within the assessment area, as measured by number (14.9%) and dollar volume (18.5%), is greater than both the percentage of branch offices (14.7%) and the percentage of deposits (9.1%) in the assessment area. As of June 30, 2019, the institution ranked 6<sup>th</sup> out of 27 financial institutions in deposit market share with 4.1% of the assessment area's available FDIC insured deposits (credit union deposits are not included). According to 2019 aggregate data, the institution ranked 42<sup>nd</sup> of 603 reporters of mortgage lending with a .5% market share and ranked 17<sup>th</sup> of 124 reporters of small business loans with a 1.1% market share. All market share rankings consider originated and purchased loans. Overall, lending activity is considered excellent.

#### **Geographic Distribution:**

The geographic loan distribution within this assessment area is considered excellent for HMDA and good for small business lending. Overall, the bank's performance is considered excellent when considering the relative performance levels and dollar volumes of each product.

**Distribution of HMDA Loans by Income Level of Census Tract**

Virginia Beach-Norfolk, VA-NC (2019)										
Income Categories	Bank			Aggregate						
	#	%	\$(000s)	%	#	\$(000s)	%	%	%	%
	Home Purchase			(44,626)						
Low	7	4.4	629	2.4	1,071	180,514	2.4			1.6
Moderate	53	33.1	5,384	20.3	8,291	1,529,067	18.6			13.5
Middle	44	27.5	6,952	26.2	16,981	3,878,325	38.2			34.2
Upper	56	35.0	13,615	51.1	18,146	5,768,531	40.8			50.7
	Refinance			(25,078)						
Low	3	4.2	706	4.4	391	66,114	1.6			1.0
Moderate	9	12.7	2,167	13.5	3,538	656,446	14.1			10.1
Middle	26	36.6	3,630	22.6	9,226	2,045,712	36.8			31.6
Upper	33	46.5	9,594	59.5	11,923	3,705,386	47.5			57.3
	Home Improvement			(2,752)						
Low	1	3.6	19	1.1	39	2,043	1.4			1.0
Moderate	2	7.1	180	10.0	358	20,915	13.0			10.7
Middle	11	39.3	606	33.6	893	53,835	32.4			27.6
Upper	14	50.0	1,000	55.3	1,462	118,248	53.2			60.7
	Multi-Family			(137)						
Low	2	12.5	546	1.6	18	153,518	13.1			12.4
Moderate	9	56.3	12,384	36.7	62	467,874	45.3			37.9
Middle	1	6.3	1,080	3.2	32	352,247	23.4			28.5
Upper	4	24.9	19,700	58.5	25	260,232	18.2			21.2
	HMDA Totals									
Low	13	4.7	1,900	2.4	1,519	402,189	2.1			2.1
Moderate	73	26.5	20,115	25.7	12,249	2,674,302	16.9			13.8
Middle	82	29.8	12,268	15.7	27,132	6,330,119	37.3			32.7
Upper	107	39.0	43,909	56.2	31,556	9,852,397	43.4			50.9
NA*	0	0.0	0	0.0	193	106,250	0.3			0.5
<b>Total</b>	<b>275</b>	<b>100.0</b>	<b>78,192</b>	<b>100.0</b>	<b>72,649</b>	<b>19,365,257</b>	<b>100.0</b>			<b>100.0</b>

NA\*-Tracts without household or family income as applicable

During 2019, home purchase loans were the leading HMDA product by number, followed by refinance loans for both the bank and aggregate lenders. Home improvement and multifamily lending were given less weight due to limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase lending is considered excellent, while performance for refinance loans is considered good.

As reflected in the preceding table, AUB's percentage of 2019 HMDA lending in low-income census tracts (4.7%) is greater than both the aggregate lending level (2.1%) and the percentage of owner-occupied housing units located in such tracts (2.3%) and is considered excellent. Similarly, the bank's level of lending in moderate-income census tracts (26.5%) is greater than both the aggregate level of lending (16.9%) and the percentage of owner-occupied housing units located in such tracts (17.4%) and is considered excellent. The bank's 2018 performance is substantially similar.

**Distribution of Small Business Loans by Income Level of Census Tract**

Virginia Beach-Norfolk, VA-NC (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	18	5.4	6,880	7.9	944	3.1	50,651	4.9
Moderate	66	19.8	16,687	19.1	6,343	20.7	244,114	23.5
Middle	139	41.7	36,524	41.9	10,368	33.9	361,576	34.8
Upper	100	30.0	25,727	29.5	12,513	40.9	365,693	35.2
NA*	10	3.1	1,379	1.6	446	1.4	16,471	1.6
<b>Total</b>	<b>333</b>	<b>100.0</b>	<b>87,197</b>	<b>100.0</b>	<b>30,614</b>	<b>100.0</b>	<b>1,038,505</b>	<b>100.0</b>

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

AUB's level of 2019 small business lending in low-income census tracts (5.4%) significantly exceeded both the aggregate reporters' lending levels (3.1%), and the percentage of businesses located in such tracts (3.7%), and is considered excellent. The bank's lending level in moderate-income census tracts (19.8%) is similar to aggregate lending (20.7%) and the percentage of businesses in such tracts (21.2%), and is considered good. Overall, the level of small business lending performance in 2019 is considered good, and its performance during 2018 is substantially similar.

**Distribution by Borrower Income and Revenue Size of the Business:**

Overall, the bank's borrower distribution performance is considered adequate for both HMDA lending and small business lending within the assessment area.

**Distribution of HMDA Loans by Income Level of Borrower**

Virginia Beach-Norfolk, VA-NC (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>HMDA Totals</b>								
Low	12	6.7	916	3.4	2,819	5.3	348,614	2.7
Moderate	30	16.7	2,398	8.8	11,959	22.5	2,051,510	15.9
Middle	43	23.9	4,835	17.8	14,633	27.6	3,239,857	25.2
Upper	95	52.7	19,047	70.0	23,638	44.6	7,227,742	56.2
<b>Total</b>	<b>180</b>	<b>100.0</b>	<b>27,196</b>	<b>100.0</b>	<b>53,049</b>	<b>100.0</b>	<b>12,867,723</b>	<b>100.0</b>
Unknown	176		59,507		19,600		6,497,534	

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

In 2019, the bank's level of lending to low-income borrowers (6.7%) is significantly less than the percentage of low-income families within the assessment area (20.8%), but is greater than the percentage of aggregate lending levels to such borrowers (5.3%), and is considered excellent. AUB's lending to moderate-income borrowers (16.7%) is less than both the percentage of aggregate lending levels and the percentage of moderate-income families (22.5% and 17.3%, respectively), and is considered adequate. Overall, the bank's performance during 2019 is considered adequate, and its performance during 2018 is similar.

**Distribution of Lending by Loan Amount and Size of Business**

Virginia Beach-Norfolk, VA-NC (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	149	44.7	41,398	47.5	14,773	47.6	402,348	38.3
Over \$1 Million	146	43.8	37,911	43.5	NA	NA	NA	NA
Unknown	38	11.5	7,888	9.0	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	137	41.1	6,541	7.5	29,244	94.2	413,753	39.4
\$100,001-\$250,000	73	21.9	12,663	14.5	898	2.9	154,446	14.7
\$250,001-\$1 Million	123	37.0	67,993	78.0	898	2.9	482,508	45.9
<b>Total</b>	<b>333</b>	<b>100.0</b>	<b>87,197</b>	<b>100.0</b>	<b>31,040</b>	<b>100.0</b>	<b>1,050,707</b>	<b>100.0</b>

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

D&B data from 2019 indicates that 92.7% of all local businesses have revenues of \$1 million or less per year, and aggregate lending data from 2019 indicates that 47.6% of reported small business loans were made to businesses having annual revenues of \$1 million or less. The remaining portion of loans were made to businesses that either had revenues greater than \$1 million or had unknown revenues. As part of performance context, aggregate lending data was also considered after excluding certain specialty lenders. Of the remaining small business loans originated by traditional bank lenders, 56.2% were made to businesses having annual revenues of \$1 million or less. With 44.7% of its small business loans made to businesses with annual revenues of \$1 million or less, the bank's level of lending in 2019 is considered adequate, and its lending performance in 2018 is substantially similar.

**Community Development Loans:**

As previously discussed, opportunities for community development lending are reasonably available within the assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period, the bank made a relatively high level of community development loans within this market. In total, seven community development loans for approximately \$30.3 million were originated within the assessment area during the evaluation period. The loans provided funding for several organizations whose primary purpose is either economic development or affordable housing. More specifically, four loans were made to organizations promoting economic development in the area while three were made in order to help develop and provide affordable housing. In addition, the bank originated 38 loans totaling \$90.1 million as a part of the PPP within this assessment area.

**INVESTMENT TEST**

AUB's investment test performance in the multistate assessment area is rated high satisfactory. In addition to the previously described investments that benefit regional or statewide areas, including the multistate assessment area, the bank has generated \$8.3 million in qualified investments that directly benefit this assessment area, including:

- \$6.4 million of the bank's \$25.8 million in VCDC Housing Equity Funds is allocated to this assessment area. The funds facilitate the development and financing of affordable housing and utilize the federal LIHTC program.
- \$31,528 of the bank's \$978,455 equity investment in the Farragut SBIC Fund II is allocated within this assessment area. The fund provides capital to small businesses which are deemed to be SBICs while also leveraging SBA funding providing for economic development and job creation.

- \$84,382 of the institution's \$1.9 million equity investment in the Salem Capital Partners Fund III is specifically allocated to this assessment area. The fund helps promote job creation and economic development by investing in small businesses.
- \$358,070 in one loan pool issued by Ginnie Mae is backed by mortgages made to low- or moderate-income borrowers or areas within this assessment area.
- \$91,195 of AUB's \$500,000 investment in the CCB certificate of deposit is allocated within this assessment area, which provides loans and investments for affordable housing and economic development projects.
- \$947,083 equity investment in Monument Development Thirteen, LLC, which utilizes Enterprise, Opportunity, and SBA HUB Zones. This allows historical properties to be rehabilitated according to federal regulations for the purpose of revitalizing low-income census tracts.
- \$400,543 of the bank's \$3.5 million investment in a qualified CRA fund is specifically allocated to this assessment area. The fund promotes affordable housing and economic development by investing directly for community development purposes.

Charitable donations totaling approximately \$122,510 and qualifying as community development investments have been made in this market. These donations support organizations whose operations primarily benefit low- and moderate-income people and/or small businesses.

## **SERVICE TEST**

The institution's performance under the service test within this assessment area is rated low satisfactory. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, including low and moderate-income areas. Since the previous evaluation, eight branch offices have been closed within the assessment area, of which one was located in a moderate-income census tract. Additionally, the bank provides an adequate level of community development services.

### **Retail Services:**

Delivery systems and branch locations are reasonably accessible to all market areas and individuals of different income levels within the assessment area. Alternative delivery systems are available through various avenues including 24-hour ATM access, online and mobile banking, bank-by-mail, and bank-by-phone services that are offered by the bank.

Within this assessment area, AUB operates 19 full-service branch offices. Of these full-service branch offices, three (15.8%) are located in moderate-income census tracts. According to recent demographic data, 5.3% and 25.2% of the assessment area's households are located in low- and moderate-income areas, respectively. As previously mentioned, the bank has closed one branch office in a moderate-income tract since the previous evaluation; however, the closure of this branch has not adversely affected the ability to conduct banking activities within this respective geography. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area.



### Community Development Services:

The institution provides an adequate level of community development service activities within the assessment area by providing financial or technical expertise to approximately 14 organizations promoting economic development or services targeted toward low- and moderate-income residents. These activities include, but are not limited to the following:

- Provided financial literacy courses at four schools and two organizations targeting low- and moderate-income individuals.
- 504 Capital Corporation – A bank officer serves on the loan committee of this organization which assists small businesses by promoting financing through SBA loans.
- Foodbank of Southeast Virginia and the Eastern Shore – An officer serves on the board for this organization which helps provide food to those in need throughout the assessment area.
- Hampton Roads Workforce Council – A bank officer serves on the Board of Trustees for this organization which oversees federally funded workforce development programs which assist businesses in accessing qualified workers and jobseekers in finding suitable job openings.
- Tidewater Children’s Foundation – An officer serves as the president of this foundation which provides grant funding to local community organizations. Funded programs help provide care, education, and health of children in need through community development organizations.
- Suffolk Business Women – A bank officer serves on the board of this organization which provides assistance to community service organizations through donation and service projects. More specifically, a local domestic violence shelter, homeless shelter, and free clinic have all been recipients of recent projects.
- Central Business District Association – An officer serves as a board member of this organization in Virginia Beach which supports the Pembroke Strategic Growth Area by promoting economic development.

## COMMONWEALTH OF VIRGINIA

**CRA RATING FOR VIRGINIA<sup>2</sup>:** Satisfactory  
*The lending test is rated: High Satisfactory*  
*The investment test is rated: High Satisfactory*  
*The service test is rated: Low Satisfactory*

Major factors supporting the rating include:

- Lending activity reflects an excellent responsiveness to community credit needs given the bank's capacity within a highly competitive market.
- While performance varies by year, product, and market area, the geographic distribution is considered excellent overall and the borrower lending distribution is considered good overall.
- The bank exhibits a good record of serving the credit needs of low-income individuals and areas as well as very small businesses.
- AUB made an adequate level of community development loans in Virginia and made limited use of flexible lending practices in serving credit needs throughout the state.
- Relative to the available investment opportunities, bank capacity, and local market impact, AUB's level of qualified investments reflects good performance. Additionally, the bank makes occasional use of innovative and/or complex investments. AUB exhibits good responsiveness to credit and community development needs within Virginia.
- Delivery systems and branch locations are reasonably accessible to all segments of the assessment areas. Retail banking services do not vary in a way that inconveniences the bank's assessment areas, particularly low- and moderate-income areas and people.

Branch closures have generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income people and areas.

- The bank provides an adequate level of community development services within its market areas in Virginia.

### SCOPE OF EXAMINATION

Reported HMDA and small business loans from calendar years 2018 and 2019 were analyzed to determine the geographic and borrower distribution of the bank's lending. Small farm lending was not included due to the limited volume of lending. Community development loans made during this period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or outstanding as of the evaluation date, regardless of when made, were also considered.

When excluding activity in the multistate assessment area, the Virginia assessment areas account for 83.6%, 82.2%, and 89.5% of the institution's overall lending, branches, and deposit volume, respectively. Within the Commonwealth of Virginia, the Washington-Baltimore-Alexandria, VA and Richmond, VA assessment areas account for 45.3% of lending considered in this evaluation, 41.1% of branches, and 58% of deposits. Performance in the state was evaluated by applying the full scope interagency examination procedures to both of these markets. All other assessment areas within the state were reviewed using limited scope interagency examination procedures.

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<sup>2</sup> 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.

To arrive at an overall state rating, the full-scope assessment areas were generally weighted based on the dollar volume of lending as well as the percentage of loans originated within the market. The Washington-Baltimore-Alexandria, VA assessment area was given slightly greater weight as it accounted for 29.3% of loans by dollar volume of loans evaluated. For the remaining assessment areas subject to limited review procedures, a determination was made as to whether performance was consistent with the assigned state rating.

## **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE COMMONWEALTH OF VIRGINIA**

The institution operates 106 full service branch offices throughout the statewide assessment areas. Two (1.9%) offices are located in low-income census tracts and 23 (21.7%) are located in moderate-income areas. These 106 branch offices account for approximately \$11.2 billion of the bank's \$12.5 billion total deposit base.

Based on 2015 census data, the Virginia assessment areas served by the bank have a total population of 5.6 million, including 1.4 million families. A majority of the families continue to be middle- and upper-income (64.3%), while low- and moderate-income families each comprise 19.2% and 16.5% of the total, respectively. Within these assessment areas, the owner-occupancy rate is 60.3%, which is slightly higher than the average rate for the entire Commonwealth of Virginia (59.2%).

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE COMMONWEALTH OF VIRGINIA**

### **LENDING TEST**

Overall, the statewide lending test is rated high satisfactory. As previously mentioned, conclusions of the lending test for Virginia were based upon the performance within the two full-scope assessment areas. Lending activity is considered excellent and is measured primarily by the proportion of lending in the bank's markets. The borrower distribution of loans is considered good, while the geographic distribution of loans is considered excellent. The provision of community development loans is considered adequate.

#### **Lending Activity:**

AUB's HMDA and small business lending within its assessment areas, as measured by number of loans (83.6%) slightly exceeds the percentage of branch offices (82.2%), but is less than the percentage of deposits (89.5%) in the assessment area. Lending by dollar volume (79.6%) is less than both the percentage of branch offices and deposits. As of June 30, 2019, the institution ranked 8<sup>th</sup> out of 98 financial institutions in deposit market share with 3.8% of the Commonwealth of Virginia's assessment areas' available FDIC insured deposits (credit union deposits are not included). When compared to 2019 aggregate data, the institution ranked 27<sup>th</sup> of 839 reporters of mortgage lending with a 1% market share and ranked 13<sup>th</sup> of 223 reporters of small business loans with a 1% market share. All market share rankings consider originated and purchased loans. Overall, lending activity is considered excellent.

#### **Geographic and Borrower Distribution:**

Overall, AUB's geographic distribution is considered excellent, while the borrower distribution of lending is considered good. When reaching overall conclusions, the level of performance for each product is typically weighted by the dollar volume of each product by year and overall. Within the markets reviewed, small business loans generally were the largest product by dollar volume followed by HMDA loans. Therefore, in most instances, small business lending performance received the greatest weight.

## Community Development Loans:

The bank originates an adequate level of loans that qualify as community development loans. During the evaluation period, AUB funded or renewed 33 community development loans totaling \$105.2 million in Virginia, including one \$2 million loan to assist affordable housing and economic development efforts across the state. The loans helped to address a variety of needs including job creation/retention, affordable housing, and social services targeted to low- and moderate-income residents. The bank also originated 263 loans totaling \$554.5 million as a part of the PPP throughout the state. Local lending opportunities are reasonably available when considering competition, bank size, economic conditions, and other area relevant factors; however, the bank's community development lending was highly concentrated in two markets. The institution faces no lending constraints relative to its size and business strategy.

## INVESTMENT TEST

The institution's level of qualified investments benefitting the Commonwealth of Virginia is rated high satisfactory. This rating takes into account the previously mentioned VHDA bonds and VCDC housing equity funds, as these positively impact AUB's assessment areas which cover the majority of the Commonwealth of Virginia. As such, the bank has \$60.7 million in qualified investments throughout the state including investments specific to the two full-scope assessment areas. Additionally, charitable donations of approximately \$477, 956 were made during the review period to organizations providing community development programs, affordable housing, and economic development throughout Virginia. In addition to the previously mentioned qualified investments benefitting the statewide and regional areas, investments specific to the Commonwealth of Virginia include:

- A \$1.6 million equity investment in the Solomon Hess SBA Loan Fund, which provides financing to small businesses located in low- and moderate-income areas or that employ low- and moderate-income persons.

## SERVICE TEST

The institution's statewide rating under the service test is low satisfactory. Two branch office closures within the Commonwealth of Virginia were located in low-income census tracts, while three branch office closures were located within moderate-income tracts; however, two branch office openings as a result of an acquisition were located in moderate-income tracts. Overall, these branch office changes did not generally adversely affect the bank's branch footprint. Products and services offered within Virginia markets evaluated using the full-scope procedures are representative of those offered by the institution overall. In addition, services are tailored to the convenience and needs of its assessment areas. Delivery systems are accessible to all portions of the bank's assessment areas and to people of varying income levels.

The institution and its employees provide an adequate level of community development services. When considering employee services within the Commonwealth of Virginia, it is important to note the absence or limited involvement of activities in the majority of the bank's limited-scope assessment areas while also considering the varied impact of services within its two-full scope assessment areas. Activities include participation in various organizations that provide economic development, affordable housing, and other community services to low- and moderate-income residents. Examples of community development services that were consistent across the Commonwealth of Virginia include:

- Employees participated in committees or were board members providing financial expertise to the respective local chapters of community service organizations whose services primarily benefitted low- and moderate-income individuals such as Habitat for Humanity and the United Way.

**METROPOLITAN AREAS**

*(For metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE WASHINGTON-BALTIMORE-ALEXANDRIA, VA ASSESSMENT AREA**

AUB serves a portion of the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA CSA, including parts of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division (MD) and the Winchester, VA-WV MSA. The OMB’s revised delineations affected this assessment area as Madison County, Virginia was added to the assessment area in 2019; previously, the county was a part of the bank’s Orange, VA NonMSA assessment area. Accordingly, the multiple demographic tables below reflect the changes within the assessment area. The complete composition of the assessment area for 2018 and 2019 is detailed in Appendix E.

Based on 2015 ACS data and the 2018 assessment area delineation, the assessment area served by the bank has a total population of 2.9 million and a median housing value of \$408,433. Within the assessment area, the owner-occupancy rate is 62.3%, which is higher than the owner-occupancy rates for the Washington-Arlington-Alexandria, DC-VA-MD-WV MD (57.8%), the Winchester, VA-WV MSA (57.6%), and the Commonwealth of Virginia (59.2%). The percentage of families living below the poverty level in the assessment area (4.5%) is lower than the rates in the Washington-Arlington-Alexandria, DC-VA-MD-WV MD (6.1%), the Winchester, VA-WV MSA (6.8%), and the Commonwealth of Virginia (8.2%). Median family incomes for the MSA/MDs that comprise the assessment area are detailed in the table below.

<b>Median Family Income by MSA</b>	<b>2018</b>	<b>2019</b>
Washington-Arlington-Alexandria, DC-VA-MD-WV MD	\$114,900	\$114,700
Winchester, VA-WV MSA	\$71,100	\$73,500

The following table provides family and household demographic information for the 2018 assessment area as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides D&B business data.

**Assessment Area Demographics**

Washington-Baltimore-Alexandria, VA (Based on 2015 ACS Data and 2018 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	21	3.3	23,986	3.3	3,964	16.5	133,344	18.6
Moderate	108	17.0	126,181	17.6	10,434	8.3	111,733	15.6
Middle	238	37.4	261,595	36.4	12,151	4.6	145,530	20.3
Upper	261	41.0	306,560	42.7	5,885	1.9	327,727	45.5
NA	9	1.3	12	0.0	0	0.0		
<b>Total</b>	<b>637</b>	<b>100.0</b>	<b>718,334</b>	<b>100.0</b>	<b>32,434</b>	<b>4.5</b>	<b>718,334</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	8,649	1.3	39,293	3.8	6,344	16.1	192,062	18.6
Moderate	100,477	14.7	190,469	18.4	18,105	9.5	158,002	15.3
Middle	251,410	36.7	388,280	37.6	22,974	5.9	194,684	18.8
Upper	323,987	47.3	414,689	40.2	13,611	3.3	488,060	47.3
NA	25	0.0	77	0.0	4	5.2		
<b>Total</b>	<b>684,548</b>	<b>100.0</b>	<b>1,032,808</b>	<b>100.0</b>	<b>61,038</b>	<b>5.9</b>	<b>1,032,808</b>	<b>100.0</b>
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	4,085	2.4	3,768	2.4	280	2.1	37	2.2
Moderate	25,212	14.8	23,231	15.0	1,730	12.9	251	14.7
Middle	62,213	36.5	55,870	36.0	5,772	43.0	571	33.5
Upper	78,611	46.1	72,200	46.5	5,576	41.6	835	49.0
NA	269	0.2	202	0.1	57	0.4	10	0.6
<b>Total</b>	<b>170,390</b>	<b>100.0</b>	<b>155,271</b>	<b>100.0</b>	<b>13,415</b>	<b>100.0</b>	<b>1,704</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.1		7.9		1.0

\*NA-Tracts without household or family income as applicable

As previously mentioned, Madison County, Virginia was added to the Washington-Baltimore-Alexandria, VA assessment area as of 2019 due to revised delineations by the OMB. As such, some demographic information changed between 2018 and 2019.

Based on 2015 ACS data and the 2019 assessment area delineation, the assessment area served by the bank has a total population of 3 million and a median housing value of \$407,406. Within the assessment area, the owner-occupancy rate is 62.3%, which is higher than the owner-occupancy rates for the Washington-Arlington-Alexandria, DC-VA-MD-WV MD (57.8%), the Winchester, VA-WV MSA (57.6%), and the Commonwealth of Virginia (59.2%). The percentage of families living below the poverty level in the assessment area (4.5%) is less than the rates in the Washington-Arlington-Alexandria, DC-VA-MD-WV MD (6.1%), the Winchester, VA-WV MSA (6.8%), and the Commonwealth (8.2%).

**Assessment Area Demographics**

Washington-Baltimore-Alexandria, VA (Based on 2015 ACS Data and 2019 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	21	3.3	23,998	3.3	3,949	16.5	133,866	18.5
Moderate	108	16.9	128,227	17.8	10,728	8.4	111,871	15.5
Middle	239	37.4	262,228	36.3	12,212	4.7	145,720	20.2
Upper	262	41.0	307,275	42.6	5,885	1.9	330,283	45.8
NA	9	1.4	12	0.0	0	0.0		
<b>Total</b>	<b>639</b>	<b>100.0</b>	<b>721,740</b>	<b>100.0</b>	<b>32,774</b>	<b>4.5</b>	<b>721,740</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	9,271	1.3	39,447	3.8	6,375	16.2	191,458	18.4
Moderate	101,948	14.8	193,170	18.6	18,575	9.6	156,741	15.1
Middle	251,985	36.6	387,557	37.3	22,839	5.9	193,813	18.7
Upper	324,954	47.3	417,560	40.3	13,885	3.3	495,799	47.8
NA	25	0.0	77	0.0	4	5.2		
<b>Total</b>	<b>688,183</b>	<b>100.0</b>	<b>1,037,811</b>	<b>100.0</b>	<b>61,678</b>	<b>5.9</b>	<b>1,037,811</b>	<b>100.0</b>
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	4,326	2.5	4,013	2.6	291	2.2	22	1.9
Moderate	25,592	15.0	23,743	15.2	1,696	12.9	153	13.4
Middle	61,890	36.3	55,917	35.8	5,576	42.3	397	34.7
Upper	78,258	46.0	72,119	46.3	5,572	42.2	567	49.6
NA	284	0.2	227	0.1	52	0.4	5	0.4
<b>Total</b>	<b>170,350</b>	<b>100.0</b>	<b>156,019</b>	<b>100.0</b>	<b>13,187</b>	<b>100.0</b>	<b>1,144</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.6		7.7		0.7

\*NA-Tracts without household or family income as applicable

Federal and local government employment opportunities provide a large portion of area employment for residents. In addition, the defense, healthcare, retail, and education industries provide significant employment opportunities. The largest employers include Innova Health System, Accenture National Securities, United Airlines, Deloitte Consulting LLP, Orbital Sciences Corporation, Wal-Mart, Micron Technology, Lockheed Martin, GEICO, Valley Health System, and Booz, Allen and Hamilton. Recent and historical unemployment rates since the previous evaluation are included in the following table.

Geographic Area	July 2018	July 2019	July 2020	January 2021
Alexandria City, VA	2.2%	2.1%	7.9%	5.5%
Arlington County, VA	2%	1.9%	5.7%	4.3%
Culpeper County, VA	2.8%	2.5%	6%	4.7%
Fairfax City, VA	2.3%	2%	7.6%	4.7%
Fairfax County, VA	2.4%	2.3%	7.6%	5.1%
Falls Church City, VA	2.1%	2.2%	4.7%	3.9%
Fauquier County, VA	2.5%	2.4%	5.7%	4.3%
Frederick County, VA	2.6%	2.4%	5.5%	4.1%
Fredericksburg City, VA	3.4%	3.5%	9.5%	6.6%
Loudoun County, VA	2.5%	2.3%	6.9%	4.6%
Madison County, VA	2.4%	2.2%	4.5%	3.6%
Manassas City, VA	2.6%	2.5%	8.7%	5.7%
Manassas Park City, VA	2.6%	2.4%	9.1%	5.8%
Prince William County, VA	2.7%	2.5%	8.6%	5.8%
Rappahannock County, VA	2.7%	2.6%	5.3%	4%
Spotsylvania County, VA	3.1%	3%	7.7%	5.4%
Stafford County, VA	3%	2.8%	7.3%	5.3%
Warren County, VA	2.9%	2.8%	7.1%	5.3%
Winchester City, VA	2.8%	2.8%	7.3%	4.9%
Washington-Arlington-Alexandria, DC-VA-MD-WV MD	2.5%	2.4%	7.4%	5.1%
Winchester, VA-WV MSA	2.8%	2.7%	5.9%	4.4%
Commonwealth of Virginia	3%	2.8%	8.1%	5.7%

As reflected in the preceding table, unemployment rates across the assessment area significantly increased during the pandemic in 2020; however, rates fell throughout the assessment area in 2021, but still remain above unemployment rates prior to the pandemic. Unemployment rates in cities and counties throughout the assessment area varied; nevertheless, rates in northern Virginia were consistently lower than those of surrounding rural counties. In addition, rates for both the Washington-Arlington-Alexandria, DC-VA-MD-WV MD and the Winchester, VA-WV MSA were constantly lower than those of the Commonwealth of Virginia.

An economic development official noted that while certain industries have had significant demand in the region, an area of concern includes low-skill workforce employment. As such, an opportunity during the pandemic was participation in the PPP in addressing certain hardships in struggling industries. The contact stated local banks have been engaged in promoting economic development; however, additional opportunities exist throughout the area, particularly for small businesses. No evidence of any banks participating in discriminatory acts was identified.

Overall, there is significant opportunity for community development loans and investments within the market area. Despite a competitive market, AUB faces no significant constraints in taking advantage of all available community development opportunities.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

### LENDING TEST

The institution's overall lending performance within this assessment area is considered good. This conclusion is based on the evaluation of the bank's lending activity, the geographic and borrower lending distribution and the level of community development lending while taking into account the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data.



**Lending Activity:**

The HMDA and small business lending within the assessment area, as measured by number (21.3%) is similar to the percentage of branch offices (21.7%), but less than the percentage of deposits (32.2%) in the assessment area. Lending by dollar volume (29.3%) is greater than the percentage of branch offices, but is slightly less than the percentage of deposits. As of June 30, 2019, the institution ranked 8<sup>th</sup> out of 55 financial institutions in deposit market share with 2.8% of the assessment area’s available FDIC insured deposits (credit union deposits are not included). When compared to 2019 aggregate data, the institution ranked 51<sup>st</sup> of 690 reporters of mortgage lending with a .4% market share and ranked 15<sup>th</sup> of 187 reporters of small business loans with a .7% market share. All market share rankings consider originated and purchased loans. As such, overall lending activity is considered good.

**Geographic Distribution:**

Overall, the geographic distribution of HMDA and small business loans are considered excellent across both years within the assessment area.

**Distribution of HMDA Loans by Income Level of Census Tract**

Washington-Baltimore-Alexandria, VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
	(149)				(72,883)			
Low	1	0.7	175	0.3	988	1.4	304,124	1.0
Moderate	29	19.5	7,812	11.7	11,271	15.5	3,296,545	10.6
Middle	48	32.2	16,210	24.2	28,128	38.6	10,436,596	33.5
Upper	71	47.6	42,773	63.8	32,487	44.5	17,104,737	54.9
	(205)				(62,121)			
Low	5	2.4	653	0.9	719	1.2	214,185	0.9
Moderate	55	26.8	14,997	20.3	7,539	12.1	2,094,739	8.5
Middle	51	24.9	13,242	17.9	22,224	35.8	7,620,836	30.8
Upper	94	45.9	45,119	60.9	31,639	50.9	14,798,885	59.8
	(72)				(6,611)			
Low	3	4.2	140	2.4	61	0.9	5,733	0.7
Moderate	27	37.5	2,282	39.3	655	9.9	54,222	7.0
Middle	28	38.9	1,839	31.7	2,107	31.9	200,420	25.9
Upper	14	19.4	1,545	26.6	3,788	57.3	514,258	66.4
	(4)				(134)			
Low	1	25.0	6,300	67.1	7	5.2	215,229	6.0
Moderate	1	25.0	1,235	13.2	39	29.1	1,010,505	28.0
Middle	2	50.0	1,854	19.7	48	35.8	1,183,504	32.8
Upper	0	0.0	0	0.0	40	29.9	1,195,146	33.2
	<b>HMDA Totals</b>							
Low	10	2.3	7,268	4.7	1,775	1.3	739,271	1.2
Moderate	112	26.0	26,326	16.9	19,504	13.8	6,456,011	10.7
Middle	129	30.0	33,145	21.2	52,507	37.0	19,441,356	32.3
Upper	179	41.7	89,437	57.2	67,954	47.9	33,613,026	55.8
NA*	0	0.0	0	0.0	14	0.0	5,654	0.0
<b>Total</b>	<b>430</b>	<b>100.0</b>	<b>156,176</b>	<b>100.0</b>	<b>141,754</b>	<b>100.0</b>	<b>60,255,318</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

Refinance loans were the leading HMDA product by number followed by home purchase loans for AUB; however, home purchase loans were the leading HMDA product followed by refinance loans for aggregate lenders during 2019. Given the limited volume within the assessment area, home improvement and multifamily lending were not factors in the analysis. The bank's refinance lending performance is considered excellent, while its home purchase lending performance is considered good in 2019.

As reflected in the preceding table, the bank's percentage of 2019 HMDA lending in low-income census tracts (2.3%) exceeds both the aggregate lending level and the percentage of owner-occupied housing units located in such tracts (1.3% and 1.3%, respectively). Similarly, AUB's level of lending in moderate-income census tracts (26%) significantly exceeds both the level of aggregate lending in such tracts (13.8%) and owner-occupied housing units located in moderate-income census tracts (14.8%). Overall, the bank's 2019 performance is considered excellent, and its performance in 2018 was substantially similar.

**Distribution of Small Business Loans by Income Level of Census Tract**

Washington-Baltimore-Alexandria, VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	28	4.5	8,105	4.4	1,928	2.3	59,744	2.2
Moderate	150	24.1	38,744	21.1	12,410	14.7	336,739	12.6
Middle	236	37.9	70,689	38.6	30,487	36.1	1,023,222	38.2
Upper	207	33.3	64,722	35.3	39,526	46.8	1,248,308	46.6
NA*	1	0.2	1,000	0.6	174	0.1	11,286	0.4
<b>Total</b>	<b>622</b>	<b>100.0</b>	<b>183,260</b>	<b>100.0</b>	<b>84,525</b>	<b>100.0</b>	<b>2,679,299</b>	<b>100.0</b>

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

AUB's level of 2019 small business lending in low-income census tracts (4.5%) significantly exceeds both the aggregate reporters' lending levels (2.3%), and the percentage of businesses located in such tracts (2.5%). Similarly, the bank's lending level in moderate-income census tracts (24.1%) significantly exceeds aggregate lending (14.7%) and the percentage of businesses in such tracts (15%). Overall, the level of small business lending performance in 2019 is considered excellent, and its performance was substantially similar in 2018.

**Distribution by Borrower Income and Revenue Size of the Business:**

The borrower distribution of HMDA loans is considered excellent, while the borrower distribution for small business loans is poor. Overall, the distribution is considered good when considering the strength of HMDA performance and dollar volume of each lending product during the years analyzed.

**Distribution of HMDA Loans by Income Level of Borrower**

Washington-Baltimore-Alexandria, VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>HMDA Totals</b>								
Low	84	15.9	7,565	5.2	8,316	7.2	1,695,217	3.7
Moderate	105	19.8	17,689	12.1	22,913	19.7	6,480,783	14.1
Middle	119	22.5	29,993	20.5	31,235	26.9	11,177,645	24.4
Upper	221	41.8	90,724	62.2	53,774	46.2	26,507,230	57.8
<b>Total</b>	<b>529</b>	<b>100.0</b>	<b>145,971</b>	<b>100.0</b>	<b>116,238</b>	<b>100.0</b>	<b>45,860,875</b>	<b>100.0</b>
Unknown	62		30,226		25,516		14,394,443	

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

During 2019, the bank’s level of lending to low-income borrowers (15.9%) is less than the percentage of low-income families within the assessment area (18.5%), but is significantly higher than the percentage of aggregate lending levels to such borrowers (7.2%) and is considered excellent. AUB’s lending to moderate-income borrowers (19.8%) is similar to the percentage of aggregate lending levels (19.7%) and is higher than the percentage of moderate-income families (15.5%), and is considered good. Overall, the bank’s performance during 2019 is considered excellent, and its lending performance in 2018 was substantially similar.

**Distribution of Lending by Loan Amount and Size of Business**

Washington-Baltimore-Alexandria, VA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	196	31.5	59,190	32.3	43,189	50.7	899,364	33.4
Over \$1 Million	261	42.0	73,795	40.3	NA	NA	NA	NA
Unknown	165	26.5	50,275	27.4	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	203	32.6	11,268	6.1	80,973	95.1	1,188,122	44.1
\$100,001-\$250,000	167	26.8	30,644	16.7	2,049	2.4	352,254	13.1
\$250,001-\$1 Million	252	40.6	141,348	77.2	2,105	2.5	1,152,097	42.8
<b>Total</b>	<b>622</b>	<b>100.0</b>	<b>183,260</b>	<b>100.0</b>	<b>85,127</b>	<b>100.0</b>	<b>2,692,473</b>	<b>100.0</b>

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

D&B data from 2019 indicates that 91.6% of all local businesses have revenues that do not exceed \$1 million per year. According to 2019 aggregate small business data, 50.7% 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 had unknown revenues. As part of performance context, the aggregate data was also considered after excluding certain specialty lenders. After excluding these lenders, 59.5% of the remaining reported small business loans were to businesses having revenues of \$1 million or less. Of the small business loans reported by AUB, originations to businesses having annual revenues of \$1 million or less equaled 31.5%. Given these contextual factors, the bank’s small business lending performance is considered poor.

In 2018, AUB originated 430 small business loans totaling \$109.6 million. Of these loans, the bank extended 153 loans (35.6%) totaling \$36.4 million (33.2%) to businesses with annual revenues of \$1 million or less. Based on available D&B demographic data (91.1%) and aggregate data (50.1%), and after excluding specialty lenders (55.2%), the bank’s performance was considered adequate.

Overall, the bank's small business lending performance is considered poor based upon the relative performance for each year and dollar volume of lending in 2019.

### **Community Development Lending:**

As previously discussed, opportunities for community development lending are extensively available within the Washington-Baltimore-Arlington, VA assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period the bank extended an adequate level of community development loans within this market. Thirteen community development loans totaling \$28.9 million were originated within the assessment area during the evaluation period. Of the 13 loans, 11 were to organizations promoting economic development through various SBA programs, while two were to organizations providing affordable housing. Additionally, the bank originated 173 loans totaling \$372.6 million as a part of the PPP within this assessment area.

### **INVESTMENT TEST**

AUB's investment test performance in the assessment area is considered adequate, as additional opportunities for investments exist in this market. In addition to the previously described investments that benefit regional or statewide areas, the bank has generated \$14.9 million in qualified investments that directly benefit this assessment area, including:

- \$2 million of the bank's \$25.8 million in VCDC Housing Equity Funds is allocated to this assessment area. The funds assist in the development and financing of affordable housing while utilizing the federal LIHTC program.
- \$2.7 million of the \$8.6 million the bank has invested in six equity funds investing in small businesses has been allocated to this assessment area. The funds promote job creation and economic development by investing primarily in small businesses located in low- and moderate-income census tracts or those employing low- and moderate-income residents.
- A \$3 million equity investment, of which \$1.3 million is committed but not yet funded, in the R4 Metro Housing Partners LP Fund, which is a national affordable housing syndicator. The fund raises capital to supply affordable housing to residents while utilizing LIHTCs.
- \$500,000 of the bank's \$2 million investment in the CAHEC Fund has been specifically allocated to this assessment area. As previously mentioned, the fund helps provide affordable housing for low-income residents.
- A \$2 million equity investment, of which \$614,284 is committed but not yet funded, in the Stratford Fund which utilizes LIHTCs to provide affordable housing to low- and moderate-income individuals within the assessment area.
- \$3 million of the institution's \$6 million investment in the PNC LIHTC Fund, of which \$2.7 million is committed but not yet funded, is specifically allocated to this assessment area which helps to provide affordable housing for low- and moderate-income residents.
- \$35,377 of AUB's \$500,000 investment in the CCB certificate of deposit is allocated within this assessment area, which provides loans and investments for affordable housing and economic development projects.
- A \$1.7 million investment in the previously mentioned CRA qualified investment fund has been allocated to this assessment area which benefits the community.

Charitable donations of \$114,275 have also been made in this market. These donations support organizations whose operations primarily benefit low- and moderate-income people and/or areas or provide for economic development.

## **SERVICE TEST**

The institution's performance under the service test within this assessment area is considered adequate. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, including low and moderate-income areas. Since the previous evaluation, seven branch offices have been closed, of which one branch office was located in a moderate-income census tract; additionally, three branch offices located in moderate-income tracts have been acquired, and AUB provides an adequate level of community development services.

### **Retail Services:**

Delivery systems and branch locations are reasonably accessible to geographies and individuals of different income levels within the assessment area. Alternative delivery systems are available through various mechanisms including 24-hour ATM access, online and mobile banking, bank-by-mail, and bank-by-phone services that are offered by the institution.

Within this assessment area, AUB operates 28 full-service branch offices. Two (7.1%) branches are located in low-income census tracts, while ten (35.7%) branch offices are located within moderate-income census tracts. The distribution of branches is excellent when considering that 3.8% and 18.6% of the assessment area's households reside in low- and moderate-income areas, respectively according to the 2015 census. Branch locations and business hours are considered convenient and meet the needs of the assessment area. As previously mentioned, the bank acquired three branch offices in moderate-income census tracts, while closing one branch office in a moderate-income tract since the previous evaluation.

### **Community Development Services:**

The institution provides an adequate level of community development services within the assessment area by providing financial expertise to 12 organizations. The assessment area holds a significant amount of opportunities for service endeavors the bank could utilize. The aforementioned service activities the institution provided were to organizations promoting economic development, providing affordable housing, or providing services targeted toward low- and moderate-income residents. These activities include, but are not limited to the following:

- Provided financial literacy courses at three community organizations, including Literacy Volunteers Winchester Area, Loudoun Volunteer Financial Council, and Vienna Presbyterian Church, all of which were targeted to low- and moderate-income residents.
- Blue Ridge Habitat for Humanity – A bank officer serves on the board of this non-profit housing organization that provides affordable housing to low- and moderate-income families in the area.
- Madison Free Clinic – An employee serves as a board member of this non-profit organization providing healthcare to uninsured, low- and moderate-income individuals.
- Business Finance Group – An officer is a member of the organization's loan committee, assisting in providing funding for small businesses to promote economic development.
- PATH Foundation – A bank officer serves on the board for this foundation which provides resources to community service organizations addressing gaps in areas such as healthcare and childhood wellness for low- and moderate-income individuals.
- Rappahannock Goodwill Industries – An officer is a member of the board of this organization which primarily provides jobs for low- and moderate-income individuals.
- The Community Foundation of the Rappahannock River Region – A bank officer serves on the board of this foundation which primarily provides funding for various community service organizations throughout the region.

## **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RICHMOND, VA ASSESSMENT AREA**

The bank's assessment area includes eight counties and four cities within the Richmond, VA MSA. The OMB's revised delineations affected this assessment area, as Caroline County, Virginia was moved to the bank's Essex-Northampton, VA NonMSA assessment area in 2019. As such, the multiple demographic tables below reflect the changes within the assessment area. The complete composition of the assessment area for both 2018 and 2019 is detailed in Appendix E.

Based on 2015 ACS data and the 2018 assessment area delineation, the assessment area served by the bank has a total population of 1.1 million and a median housing value of \$214,411. Within the assessment area, the owner-occupancy rate is 59.1%, which is substantially similar to the owner-occupancy rates of the entire MSA (59.9%) and the Commonwealth of Virginia (59.2%). The percentage of families living below the poverty level in the assessment area (8.9%) is also substantially similar to the rates for the entirety of the MSA (8.8%) and the state (8.2%). The Richmond, VA MSA median family income during 2018 and 2019 equaled \$83,200 and \$81,600, respectively. The following table includes pertinent demographic data for the 2018 assessment area.

**Assessment Area Demographics**

Richmond, VA (Based on 2015 ACS Data and 2018 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	36	13.4	22,538	8.2	7,648	33.9	57,950	21.0
Moderate	61	22.7	51,189	18.6	7,102	13.9	48,736	17.7
Middle	93	34.6	108,619	39.4	7,411	6.8	55,147	20.0
Upper	75	27.9	92,489	33.6	2,096	2.3	113,584	41.3
NA	4	1.4	582	0.2	136	23.4		
<b>Total</b>	<b>269</b>	<b>100.0</b>	<b>275,417</b>	<b>100.0</b>	<b>24,393</b>	<b>8.9</b>	<b>275,417</b>	<b>100.0</b>
	<b>Owner Occupied Units by Tract</b>		<b>Households</b>					
			<b>HHs by Tract</b>		<b>HHs &lt; Poverty by Tract</b>		<b>HHs by HH Income</b>	
	#	%	#	%	#	%	#	%
Low	13,457	4.8	41,312	9.6	14,057	34.0	100,510	23.4
Moderate	45,053	16.2	91,432	21.3	15,151	16.6	71,820	16.7
Middle	116,539	41.9	163,280	38.0	14,415	8.8	77,683	18.1
Upper	102,834	36.9	132,662	30.8	6,673	5.0	180,011	41.8
NA	522	0.2	1,338	0.3	443	33.1		
<b>Total</b>	<b>278,405</b>	<b>100.0</b>	<b>430,024</b>	<b>100.0</b>	<b>50,739</b>	<b>11.8</b>	<b>430,024</b>	<b>100.0</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract and Revenue Size</b>					
			<b>Less than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue not Reported</b>	
	#	%	#	%	#	%	#	%
Low	3,620	6.2	3,195	6.0	397	9.0	28	4.7
Moderate	11,874	20.4	10,640	19.9	1,060	24.1	174	29.2
Middle	20,629	35.4	18,996	35.6	1,464	33.3	169	28.4
Upper	21,926	37.6	20,275	38.0	1,432	32.6	219	36.8
NA	289	0.4	245	0.5	39	1.0	5	0.9
<b>Total</b>	<b>58,338</b>	<b>100.0</b>	<b>53,351</b>	<b>100.0</b>	<b>4,392</b>	<b>100.0</b>	<b>595</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			91.5		7.5		1.0

\*NA-Tracts without household or family income as applicable

As previously mentioned, Caroline County, Virginia was moved to the bank’s Essex-Northampton, VA NonMSA as of 2019 due to revised delineations by the OMB. As such, some demographic information changed between 2018 and 2019.

Based on 2015 ACS data and the 2019 assessment area delineation, the assessment area served by the bank has a total population of 1.1 million and a median housing value of \$215,017. Within the assessment area, the owner-occupancy rate is 58.7%, which is similar to the owner-occupancy rates for the Richmond, VA MSA (59.6%) and the Commonwealth of Virginia (59.2%). The percentage of families living below the poverty level in the assessment area (8.8%) is substantially similar to the rates of the entire MSA (8.8%) and the state (8.2%).

**Assessment Area Demographics**

<b>Richmond, VA</b>								
<i>(Based on 2015 ACS Data and 2019 D&amp;B Information)</i>								
<b>Income Categories*</b>	<b>Tract Distribution</b>		<b>Families by Tract</b>		<b>Families &lt; Poverty as a % of Families by Tract</b>		<b>Families by Family Income</b>	
	#	%	#	%	#	%	#	%
Low	36	13.6	22,538	8.4	7,648	33.9	56,495	21.0
Moderate	62	23.5	52,963	19.7	7,200	13.6	47,818	17.8
Middle	87	33.0	100,622	37.4	6,660	6.6	53,760	20.0
Upper	75	28.4	92,489	34.4	2,096	2.3	111,121	41.2
NA	4	1.5	582	0.1	136	23.4		
<b>Total</b>	<b>264</b>	<b>100.0</b>	<b>269,194</b>	<b>100.0</b>	<b>23,740</b>	<b>8.8</b>	<b>269,194</b>	<b>100.0</b>
	<b>Owner Occupied Units by Tract</b>		<b>Households</b>					
			<b>HHs by Tract</b>		<b>HHs &lt; Poverty by Tract</b>		<b>HHs by HH Income</b>	
	#	%	#	%	#	%	#	%
Low	13,457	5.0	41,312	9.8	14,057	34.0	98,618	23.4
Moderate	46,846	17.2	94,593	22.4	15,373	16.3	70,522	16.7
Middle	108,087	39.8	152,043	36.0	13,049	8.6	76,044	18.0
Upper	102,834	37.8	132,662	31.4	6,673	5.0	176,764	41.9
NA	522	0.2	1,338	0.4	443	33.1		
<b>Total</b>	<b>271,746</b>	<b>100.0</b>	<b>421,948</b>	<b>100.0</b>	<b>49,595</b>	<b>11.8</b>	<b>421,948</b>	<b>100.0</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract and Revenue Size</b>					
			<b>Less than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue not Reported</b>	
	#	%	#	%	#	%	#	%
Low	3,722	6.5	3,316	6.3	385	8.9	21	4.8
Moderate	12,100	21.1	10,912	20.7	1,055	24.5	133	30.5
Middle	19,498	33.9	17,967	34.1	1,427	33.2	104	23.9
Upper	21,836	38.0	20,264	38.4	1,397	32.5	175	40.1
NA	292	0.5	251	0.5	38	0.9	3	0.7
<b>Total</b>	<b>57,448</b>	<b>100.0</b>	<b>52,710</b>	<b>100.0</b>	<b>4,302</b>	<b>100.0</b>	<b>436</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.8		7.5		0.7

\*NA-Tracts without household or family income as applicable

Local government and county school system employment opportunities provide a large portion of area employment for residents. In addition, the financial, healthcare, manufacturing, and education industries provide significant employment opportunities. The largest employers include HCA Virginia Health System, Anthem, Wal-Mart, Kroger, Amazon Fulfillment Services, DuPont Specialty Products USA, Carmax Auto Superstores, Bon Secours Health System, and MCV Hospital. Recent and historical unemployment rates since the previous evaluation are included in the following table.



Geographic Area	July 2018	July 2019	July 2020	January 2021
Charles City County, VA	4.1%	3.4%	8.1%	6%
Chesterfield County, VA	3.1%	3%	7.5%	5.2%
Colonial Heights City, VA	3.5%	3.3%	9.1%	6.7%
Goochland County, VA	2.9%	2.9%	5.9%	4.5%
Hanover County, VA	2.7%	2.6%	5.9%	4.2%
Henrico County, VA	3.1%	3%	8.6%	5.8%
Hopewell City, VA	4.8%	4.5%	14.7%	10.8%
King and Queen County, VA	3.1%	3%	6.3%	4.8%
King William County, VA	3.2%	2.7%	6.6%	5%
New Kent County, VA	2.9%	2.6%	5.8%	4.3%
Petersburg City, VA	6.7%	6.1%	19%	14.9%
Richmond City, VA	3.7%	3.6%	12.1%	8%
Richmond, VA MSA	3.3%	3.1%	8.8%	6.1%
Commonwealth of Virginia	3%	2.8%	8.1%	5.7%

As reflected in the table above, unemployment rates across the assessment area significantly increased in 2020 as a result of the pandemic; however, rates decreased throughout the assessment area in 2021, but still remain above unemployment rates prior to the pandemic. Unemployment rates in cities within the assessment area were significantly higher than the surrounding counties in several instances. In addition, the Richmond, VA MSA unemployment rates were slightly higher than those of the Commonwealth of Virginia during the review period.

An economic development official stated that local institutions were actively assisting small businesses by engaging in events and programs in the area. Nevertheless, opportunities still exist for banks to network with small businesses in order to participate in small business recovery programs as well as provide small businesses and minority businesses financial literacy programs. No evidence of banks participating in discriminatory acts was identified.

Overall, there is reasonable opportunity for community development loans and investments within the market area. Despite a competitive market, the institution faces no significant constraints in taking advantage of all available community development opportunities.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

### LENDING TEST

The institution's overall lending performance within this assessment area is considered good. This conclusion is based on the evaluation of lending activity, geographic and borrower distribution, and the level of community development lending while taking into account the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data.

#### Lending Activity:

The HMDA and small business lending within the assessment area, as measured by number (24%) and dollar volume (25%), exceeds the percentage of branch offices (19.4%) and is similar to the percentage of deposits (25.8%) in the assessment area. As of June 30, 2019, AUB ranked 5<sup>th</sup> out of 26 financial institutions in deposit market share having 2.8% of the assessment area's available FDIC insured deposits (credit union deposits are not included). According to 2019 aggregate data, the institution ranked 23<sup>rd</sup> of 546 reporters of mortgage lending with a 1.4% market share and ranked 12<sup>th</sup> of 127 reporters of small business loans with a 1.4% market share. All market share rankings consider originated and purchased loans. As such, overall lending activity is considered excellent.

**Geographic Distribution:**

The geographic distribution of HMDA loans is considered good while the geographic distribution for small business loans is excellent. Overall, the distribution is considered good when considering the relative performance and dollar volume of each lending product during the years analyzed.

**Distribution of HMDA Loans by Income Level of Census Tract**

Richmond, VA (2019)												
Income Categories	Bank			Home Purchase			Refinance			Aggregate		
	#	%	\$(000s)	%\$	#	%	\$(000s)	%	#	%	\$(000s)	%\$
	(120)			(27,370)			(18,765)					
Low	18	15.0	2,852	9.2	1,421	5.2	238,326	3.4				
Moderate	17	14.2	3,104	10.0	4,453	16.3	793,538	11.4				
Middle	32	26.7	6,737	21.7	10,287	37.7	2,298,962	33.0				
Upper	53	44.1	18,408	59.1	11,156	40.8	3,635,782	52.2				
	(110)			(18,765)								
Low	8	7.3	1,628	6.2	597	3.2	111,863	2.5				
Moderate	16	14.5	1,931	7.3	2,509	13.4	425,838	9.5				
Middle	44	40.0	11,982	45.4	7,201	38.4	1,497,314	33.3				
Upper	42	38.2	10,868	41.1	8,458	45.0	2,462,173	54.7				
	(160)			(2,157)								
Low	3	1.9	139	0.9	77	3.6	4,689	2.7				
Moderate	19	11.9	1,312	8.4	246	11.4	15,995	9.3				
Middle	52	32.5	4,813	31.0	740	34.3	48,895	28.5				
Upper	86	53.7	9,278	59.7	1,094	50.7	102,043	59.5				
	(12)			(139)								
Low	3	25.0	4,186	39.2	21	15.1	97,943	5.9				
Moderate	6	50.0	3,982	37.3	56	40.3	718,016	43.5				
Middle	2	16.7	860	8.1	31	22.3	318,610	19.3				
Upper	1	8.3	1,644	15.4	31	22.3	517,941	31.3				
	HMDA Totals											
Low	32	7.9	8,805	10.5	2,116	4.4	452,821	3.4				
Moderate	58	14.4	10,329	12.3	7,264	15.0	1,953,387	14.7				
Middle	130	32.3	24,392	29.1	18,259	37.7	4,163,781	31.3				
Upper	182	45.2	40,198	48.0	20,739	42.7	6,717,939	50.4				
NA*	1	0.2	51	0.1	74	0.2	22,222	0.2				
<b>Total</b>	<b>403</b>	<b>100.0</b>	<b>83,775</b>	<b>100.0</b>	<b>48,452</b>	<b>100.0</b>	<b>13,310,150</b>	<b>100.0</b>				

NA\*-Tracts without household or family income as applicable

For AUB, home improvement loans were the leading HMDA product by number followed by home purchase and refinance loans during 2019; however, aggregate data shows that home purchase lending was the leading HMDA product by number followed by refinance and home improvement loans. Multifamily lending was not a factor in the analysis due to limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for home improvement lending is considered good, while home purchase and refinance lending is considered excellent.

As reflected in the preceding table, AUB's percentage of 2019 HMDA lending in the low-income census tract (7.9%) exceeded both the aggregate lending level (4.4%), and the percentage of owner-occupied housing units located in such tracts (5%), and is considered excellent. The bank's level of lending in moderate-income census tracts (14.4%) is comparable to the aggregate lending level (15%) but lags the percentage of owner-occupied housing units located in such tracts (17.2%), and is considered good.

During 2018, the bank reported 334 HMDA loans totaling \$69.2 million within the assessment area. Of this total, 12 (3.6%) totaling \$17.5 million (25.2%) were located in low-income census tracts and 40 (12%) totaling \$6.3 million (9.1%) were located in moderate-income census tracts. AUB's lending in low-income census tracts was considered adequate, as the bank's lending lagged the aggregate lending level (4.3%) and the percentage of owner-occupied housing units located in such tracts (2.1%). AUB's lending in moderate-income tracts is considered good, as lending was comparable to the aggregate lending level (15%) but was less than the proportion of owner-occupied housing units in such tracts (19.2%). Overall, performance during 2018 is considered good.

On a combined basis, the bank's performance is considered good.

**Distribution of Small Business Loans by Income Level of Census Tract**

Richmond, VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	30	8.7	9,974	9.9	1,428	5.9	74,328	8.1
Moderate	82	23.8	29,901	29.8	5,002	20.6	201,604	22.0
Middle	114	33.1	30,478	30.4	7,962	32.8	289,187	31.6
Upper	116	33.8	29,146	29.0	9,794	40.4	346,215	37.7
NA*	2	0.6	913	0.9	77	0.3	5,227	0.6
<b>Total</b>	<b>344</b>	<b>100.0</b>	<b>100,412</b>	<b>100.0</b>	<b>24,263</b>	<b>100.0</b>	<b>916,561</b>	<b>100.0</b>

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

The bank's percentage of 2019 small business lending in low-income census tracts (8.7%) exceeds aggregate reporters' lending levels (5.9%) and the percentage of businesses located in such tracts (6.5%), and is considered excellent. AUB's level of lending in moderate-income census tracts (23.8%) is greater than the aggregate lending level (20.6%) and the percentage of businesses in such tracts (21.1%), and is considered good. Overall, the bank's small business lending performance during 2019 is considered excellent, and its performance during 2018 is substantially similar.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank's borrower distribution is considered good for HMDA lending and adequate for small business lending within the assessment area. Overall, borrower distribution is considered to be good when considering the relative performance of each product and the volume of lending during both years.

**Distribution of HMDA Loans by Income Level of Borrower**

Richmond, VA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	<b>HMDA Totals</b>							
Low	55	9.2	4,131	5.3	3,499	8.6	456,887	4.8
Moderate	138	23.0	12,223	15.6	9,932	24.5	1,715,032	17.8
Middle	142	23.6	16,510	21.0	9,899	24.4	2,162,252	22.5
Upper	266	44.2	45,598	58.1	17,276	42.5	5,278,057	54.9
<b>Total</b>	<b>601</b>	<b>100.0</b>	<b>78,462</b>	<b>100.0</b>	<b>40,606</b>	<b>100.0</b>	<b>9,612,228</b>	<b>100.0</b>
Unknown	94		36,503		7,846		3,697,922	

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

During 2019, the bank's level of lending to low-income borrowers (9.2%) is similar to the percentage of aggregate lending levels to such borrowers (8.6%), but is less than the percentage of low-income

families within the assessment area (21%). AUB’s lending to moderate-income borrowers (23%) is slightly less than the percentage of aggregate lending levels (24.5%) and higher than the percentage of moderate-income families (17.8%). Overall, the bank’s performance during 2019 is considered good, and its lending performance in 2018 was substantially similar.

**Distribution of Lending by Loan Amount and Size of Business**

Richmond, VA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	185	53.8	57,908	57.7	12,096	49.3	366,470	39.6
Over \$1 Million	125	36.3	32,856	32.7	NA	NA	NA	NA
Unknown	34	9.9	9,648	9.6	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	120	34.9	5,893	5.9	23,004	93.7	349,205	37.7
\$100,001-\$250,000	79	23.0	13,886	13.8	709	2.9	123,810	13.4
\$250,001-\$1 Million	145	42.1	80,633	80.3	841	3.4	452,807	48.9
<b>Total</b>	<b>344</b>	<b>100.0</b>	<b>100,412</b>	<b>100.0</b>	<b>24,554</b>	<b>100.0</b>	<b>925,822</b>	<b>100.0</b>

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

D&B data from 2019 indicates that 91.8% of all local businesses have revenues that do not exceed \$1 million per year. According to 2019 aggregate small business data, 49.3% 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 had unknown revenues. As part of performance context, the aggregate data was also considered after excluding certain specialty lenders. After excluding these lenders, 58.8% of the remaining reported small business loans were to businesses having revenues of \$1 million or less. Of the small business loans reported by AUB, originations to businesses having annual revenues of \$1 million or less equaled 53.8%. Given these contextual factors, the bank’s small business lending performance is considered good.

In 2018, AUB originated 458 small business loans totaling \$128.6 million. Of these loans, the bank extended 226 loans (49.3%) totaling \$64.3 million (50%) to businesses with annual revenues of \$1 million or less. Based on available D&B demographic data (91.5%) and aggregate data (49.8%), and after excluding specialty lenders (56.6%), the bank’s performance is considered adequate.

Overall, the bank's small business lending performance is considered adequate based upon the relative performance and dollar volume of lending for each year.

**Community Development Lending:**

As previously discussed, opportunities for community development lending are reasonably available within the Richmond, VA assessment area. When considering the bank’s capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period the bank originated a relatively high level of community development loans within this market. Thirteen community development loans totaling \$52.2 million were originated within the assessment area during the evaluation period. Seven of the loans were to organizations providing affordable housing, one loan provided funding for an organization facilitating economic development, three loans were to organizations assisting in the revitalization/stabilization of local areas, and two loans were to organizations providing social services to low- and moderate-income residents. In addition, AUB originated 70 loans totaling \$141 million as a part of the PPP within this assessment area.

## INVESTMENT TEST

AUB's investment test performance in the assessment area is considered good. In addition to the previously described investments that benefit regional or statewide areas, the institution has generated \$14.4 million in qualified investments that directly benefit this assessment area, including:

- \$8.8 million of the institution's \$25.8 million in VCDC Housing Equity Funds is allocated to this assessment area. The funds facilitate the development and financing of affordable housing and utilize the federal LIHTC program.
- \$500,000 of the bank's \$2 million investment in the CAHEC Fund has been specifically allocated to this assessment area. The fund helps to provide affordable housing for low-income residents.
- \$787,836 of the bank's \$1.6 million equity investment in the Solomon Hess SBA Loan Fund has been allocated to this assessment area. The fund provides financing to small businesses located in low- and moderate-income areas or that employ low- and moderate-income persons.
- \$3 million in one loan pool issued by the Federal National Mortgage Association is backed by mortgages made to low- or moderate-income areas or borrowers within this assessment area.
- \$152,516 of AUB's \$500,000 investment in the CCB certificate of deposit is allocated within this assessment area, which provides loans and investments for affordable housing and economic development projects.
- \$1 million of the bank's \$2 million investment in VCC has been specifically allocated to this assessment area. The fund facilitates job creation, economic development, and affordable housing.
- \$100,000 equity investment in the Impact Makers Equity Fund, which distributes all profits to qualified community development organizations including free clinics, underprivileged youth centers, and organization assisting the homeless.

Charitable donations of \$321,706 have also been made in this market supporting organizations whose operations primarily benefit low- and moderate-income people and/or areas or support small businesses.

## SERVICE TEST

AUB's performance under the service test in this assessment area is considered good. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, including low and moderate-income areas. Six branch offices have been closed since the previous evaluation including one branch office located within a low-income census tract; additionally, branch distribution is considered adequate. The bank provides a relatively high level of community development services.

### Retail Services:

Delivery systems and branch locations are reasonably accessible to geographies and individuals of different income levels within the assessment area. Alternative delivery systems are available through 24-hour ATM access, online and mobile banking, bank-by-mail, and bank-by-phone services that are offered by the institution.

The bank operates 25 full-service branch offices within the market, five (20%) of which are located in moderate-income census tracts. The distribution of branches is adequate when considering that 9.8% and 22.4% of the assessment area's households reside in low- and moderate-income areas according to the 2015 census. Branch locations and business hours are considered convenient and meet the needs of the assessment area. As previously mentioned, one branch located in a low-income area has been closed since the previous evaluation.

## Community Development Services:

The institution provides a relatively high level of community development services within the assessment area by providing financial expertise to over 30 organizations promoting economic development or providing affordable housing or services targeted toward low- and moderate-income residents. These activities include, but are not limited to the following:

- Provided financial literacy courses at approximately 11 local schools where the majority of children are eligible for free or reduced lunch and two community organizations, including the Office of Minority Business Development and VCEE, both of which provide services to low- and moderate-income residents.
- Blue Sky Fund – An officer is a member of the board of this organization which serves underserved youth in the area by promoting educational opportunities while also developing character and leadership.
- Children’s Home Society of Virginia – A bank officer serves on the community resource board of this organization which provides services for at-risk youth including housing, pregnancy counseling, and life skills training.
- Family Lifeline – An officer serves as a board member of this organization which provides community services to low- and moderate-income families through early childhood home visitation services, home care services, and care coordination services.
- Hanover Habitat for Humanity – A bank officer serves on the fundraising committee of this affordable housing organization which promotes affordable housing opportunities to low-income families within the area.
- Higher Achievement – An employee provides technical expertise to this organization which promotes academic support for low-income children in underserved communities.
- Sacred Heart Center – A bank employee serves as treasurer for this organization providing educational and support programs primarily to the Hispanic community in a low-income census tract.
- Partnership for the Future – A bank officer serves on the sustainability committee of this organization which is dedicated to breaking the cycle of poverty for young people by providing training and educational opportunities.
- HumanKind – An officer serves on the loan committee for this organization serving low- and moderate-income youth in areas such as early childhood development, health and wellness, and developmental disabilities.
- Hanover Community Support Services – An employee serves on the board for this organization which provides financial support to low- and moderate-income individuals with developmental disabilities, mental health challenges, and substance abuse disorders.
- Project:HOMES – A bank officer is a member of the board for this organization which provides affordable homeownership, affordable rental opportunities, and promotes energy improvements for low- and moderate-income residents.
- Henrico CASA – An officer serves as treasurer of this organization which is a court advocacy program for abused and neglected children in the area. The organization also collaborates with other organizations on behalf of abused or at-risk youth.
- HomeAgain – A bank officer serves on the board for this organization which helps families and individuals experiencing homelessness secure and maintain a home.

**METROPOLITAN AREAS**

*(For each metropolitan area where no assessment areas were reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN METROPOLITAN AREAS**

Certain assessment areas, which are noted in the table below, were reviewed using the limited review examination procedures. Information detailing the composition of the assessment areas is included in **APPENDIX E** of this report. Information about loan volume, branches, and deposits are included in **APPENDIX D** of this report.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

Facts and data reviewed for each assessment area, including performance and demographic information, can be found in **APPENDIX C** of this evaluation. Conclusions regarding performance, which did not impact the Commonwealth of Virginia’s overall rating, are included in the following tables. For each test, the conclusion conveys whether performance in an assessment area was generally below, consistent with, or exceeded the institution's statewide ratings. In the case where the performance was considered below, the performance was at least adequate for the assessment area.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Blacksburg-Christiansburg, VA MSA	Below	Consistent	Exceeds
Charlottesville, VA MSA	Consistent	Consistent	Exceeds
Harrisonburg-Staunton, VA CSA	Below	Consistent	Exceeds
Lynchburg, VA MSA	Below	Consistent	Consistent
Roanoke, VA MSA	Consistent	Consistent	Consistent

**NON-METROPOLITAN STATEWIDE AREA**

*(If none of the assessment areas within the non-metropolitan statewide area were reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN STATEWIDE ASSESSMENT AREA**

Certain assessment areas, which are noted in the table below, were reviewed using the limited review examination procedures. Information detailing the composition of the assessment areas is included in **APPENDIX E** of this report. Information about loan volume, branches, and deposits are included in **APPENDIX D** of this report.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

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

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Covington-Buena Vista, VA NonMSA	Consistent	Below	Consistent
Emporia, VA NonMSA	Below	Below	Consistent
Essex-Northampton, VA NonMSA	Consistent	Consistent	Consistent
Orange, VA NonMSA	Consistent	Consistent	Consistent
Wythe, VA NonMSA	Below	Below	Consistent



## STATE OF NORTH CAROLINA

***CRA RATING FOR NORTH CAROLINA<sup>3</sup>: Satisfactory***  
***The lending test is rated: Low Satisfactory***  
***The investment test is rated: Low Satisfactory***  
***The service test is rated: High Satisfactory***

Major factors supporting the rating include:

- Lending levels reflect a good responsiveness to assessment area credit needs given the bank's capacity within a competitive market.
- Geographic distribution performance is considered good, while borrower distribution performance is considered poor overall.
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and areas as well as very small businesses in North Carolina.
- The bank made a low level of community development loans in North Carolina during the evaluation period and made limited use of flexible lending practices in serving credit needs throughout the state.
- Relative to the available investment opportunities, bank capacity, and local market impact, AUB's level of qualified investments reflects adequate performance. Also, the bank rarely makes use of innovative and/or complex investments, and exhibits adequate responsiveness to credit and community development needs within North Carolina.
- Delivery systems and branch locations are reasonably accessible to all segments of the assessment areas. Retail banking services do not vary in a way that inconveniences the bank's assessment areas, particularly low- and moderate-income areas and people.
- There have been no branch closures or openings during the evaluation period.
- Relative to bank capacity, employees provide a relatively high level of participation in community development services within the assessment areas.

### SCOPE OF EXAMINATION

AUB's reported HMDA and small business loans from calendar years 2018 and 2019 were used to evaluate lending performance for borrower and geographic distributions. As previously mentioned, small farm loans were not evaluated given the limited volume of lending. Community development loans made during this period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or outstanding as of the evaluation date, regardless of when made, were also considered.

When excluding activity in the Virginia Beach-Norfolk, VA-NC assessment area, the North Carolina assessment areas account for 1%, 1.6%, and .7% of the institution's overall volume of lending, branches, and deposits, respectively. The performance in the state was evaluated by applying the full scope interagency examination procedures to the Raleigh-Cary, NC assessment area which accounts for .7% of lending in this evaluation, .8% of branches, and .3% of deposits. For the remaining assessment area subject to limited scope procedures, a determination was made as to whether performance was consistent with the assigned state rating.

<sup>3</sup> 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.

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF NORTH CAROLINA

The institution operates two branch offices in the State of North Carolina (excluding branches in the multistate assessment area). Neither of the offices are located in low-income areas; however, one (50%) is located in a moderate-income census tract. These two branch offices account for approximately \$91 million of the bank's \$12.5 billion total deposit base.

According to ACS data from 2015, the bank's combined assessment areas within the State of North Carolina have a population of 1 million, including 252,351 families. The majority of families are middle- and upper-income (63.7%), while 20% are low-income and 16.3% are moderate-income. The owner-occupancy rate within the combined markets (59.4%) is higher than the rate for the State of North Carolina (55.7%).

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF NORTH CAROLINA

### LENDING TEST

Overall, the statewide lending test is rated low satisfactory. As previously mentioned, the rating of the State of North Carolina is based upon the performance within the Raleigh-Cary, NC assessment area. Lending activity is considered good and is measured primarily by proportion of lending in the bank's markets. The borrower distribution of loans is considered poor, while the geographic distribution of loans is considered adequate. The provision of community development loans is considered poor.

#### Lending Activity:

The institution's HMDA and small business lending within the state, as measured by number (1%) and dollar volume (1.3%), is slightly less than the percentage of branch offices (1.6%), but exceeds the percentage of deposits (.7%) in the state. As of June 30, 2019, the institution ranked 18<sup>th</sup> out of 34 financial institutions in deposit market share with .3% of the State of North Carolina's assessment areas' available FDIC insured deposits (credit union deposits are not included). When compared to 2019 aggregate data, the institution ranked 134<sup>th</sup> of 613 reporters of mortgage lending with a .04% market share and ranked 45<sup>th</sup> of 117 reporters of small business loans with a .09% market share. All market share rankings consider originated and purchased loans. Overall, lending activity is considered good.

#### Geographic and Borrower Distribution:

Overall, AUB's geographic distribution is considered adequate, while the borrower distribution of lending is considered poor. When reaching overall conclusions, the state performance is reflective of the Raleigh-Cary, NC assessment area, as this was the only market reviewed using full scope examination procedures. Additionally, regarding performance in the assessment area reviewed, HMDA loans generally were the largest product by dollar volume, followed by small business loans. As such, HMDA lending performance received slightly greater weight when reaching the overall conclusion.

#### Community Development Loans:

The bank originated a low level of loans that qualify as community development loans. During the evaluation period, AUB funded one community development loan totaling \$50,000 in North Carolina helping to address an affordable housing need. The institution also originated two loans totaling \$4.4 million as a part of the PPP throughout the state. Local lending opportunities are readily available when considering competition, bank size, economic conditions, and other area relevant factors. The institution faces no lending constraints relative to its size and business strategy.

## INVESTMENT TEST

The institution's level of qualified investments benefitting the State of North Carolina is rated low satisfactory. The bank has \$1.1 million in qualified investments that directly benefits assessment areas within the state. While the institution has one full-scope assessment area within North Carolina, further investment opportunities exist within the statewide and regional areas which would benefit communities. Additionally, charitable donations of \$26,000 were made during the review period to organizations providing community development programs and financial literacy throughout North Carolina.

## SERVICE TEST

The statewide rating for the institution under the service test is high satisfactory. One branch closure within the State of North Carolina was located in a middle-income census tract, which did not adversely affect the assessment area. Products and services offered within the North Carolina market were evaluated using the full-scope procedures are representative of those offered by the institution overall. In addition, services are tailored to the convenience and needs of its assessment areas. Delivery systems are accessible to all portions of the bank's market areas and to people of varying income levels.

The institution and its employees provide a relatively high level of community development services within the state. Activities include participation in organizations that provide economic development and other community services to low- and moderate-income residents. The small percentage of the bank's total staff located in the North Carolina assessment areas is also considered as an aspect of performance context.

**METROPOLITAN AREAS**

*(For metropolitan areas with some or all assessment areas reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RALEIGH-CARY, NC ASSESSMENT AREA**

The Raleigh-Cary, NC assessment area is comprised solely of Wake County, North Carolina. No changes to this assessment area were made in response to the OMB's revised delineations. According to the most current census data, the assessment area has a population of 976,019 and a median housing value of \$234,021. The owner-occupancy rate in the assessment area equals 59.6%, which is similar to that of the entire MSA (60.4%), but is higher than the rate for the State of North Carolina (55.7%). The overall family poverty rate within the assessment area (7.9%) is also similar to that of the entirety of the MSA (8.6%), but is lower than the state rate (12.8%). The median family incomes for the Raleigh-Cary, NC MSA in 2018 and 2019 totals \$84,300 and \$93,100, respectively. The following table provides family and household demographic information for the assessment area, as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides D&B business data.

**Assessment Area Demographics**

Raleigh-Cary, NC (Based on 2015 ACS Data and 2019 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	12	6.4	10,357	4.2	3,064	29.6	48,494	19.9
Moderate	36	19.3	51,294	21.0	7,572	14.8	39,546	16.2
Middle	57	30.5	79,605	32.6	5,514	6.9	45,805	18.8
Upper	79	42.2	102,616	42.2	3,005	2.9	110,095	45.1
NA	3	1.6	68	0.0	0	0.0		
<b>Total</b>	<b>187</b>	<b>100.0</b>	<b>243,940</b>	<b>100.0</b>	<b>19,155</b>	<b>7.9</b>	<b>243,940</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	4,911	2.1	19,917	5.5	5,615	28.2	76,346	20.9
Moderate	44,836	19.2	82,894	22.7	13,106	15.8	60,368	16.6
Middle	80,203	34.3	120,584	33.1	10,751	8.9	64,865	17.8
Upper	104,083	44.4	141,164	38.7	6,407	4.5	163,090	44.7
NA	51	0.0	110	0.0	14	12.7		
<b>Total</b>	<b>234,084</b>	<b>100.0</b>	<b>364,669</b>	<b>100.0</b>	<b>35,893</b>	<b>9.8</b>	<b>364,669</b>	<b>100.0</b>
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	2,467	4.1	2,169	3.9	280	6.9	18	3.1
Moderate	11,927	19.7	10,910	19.5	926	22.9	91	15.6
Middle	19,882	32.8	18,388	32.8	1,327	32.8	167	28.5
Upper	26,338	43.3	24,538	43.7	1,491	36.9	309	52.8
NA	83	0.1	64	0.1	19	0.5	0	0.0
<b>Total</b>	<b>60,697</b>	<b>100.0</b>	<b>56,069</b>	<b>100.0</b>	<b>4,043</b>	<b>100.0</b>	<b>585</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				92.4		6.7		0.9

\*NA-Tracts without household or family income as applicable

Local and state government employment opportunities, as well as N.C. State University, provide a large portion of area employment for residents. In addition, the healthcare, technology, and retail industries provide significant employment opportunities. The largest employers include WakeMed, NC Health, SAS Institute Inc, and Wal-Mart. Recent and historical unemployment rates since the previous evaluation are included in the following table.

Geographic Area	July 2018	July 2019	July 2020	January 2021
Wake County, NC	3.7%	3.7%	8.2%	5%
Raleigh-Cary, NC MSA	3.7%	3.7%	8.2%	5%
State of North Carolina	4.2%	4.1%	9.3%	6%

The unemployment rates in Wake County, North Carolina significantly increased in 2020 as a result of the pandemic; however, rates subsequently decreased but still remain above unemployment rates prior to the pandemic. The rates in Wake County, North Carolina mirrored that of the Raleigh-Cary, NC MSA, which were consistently lower than those of the State of North Carolina during the review period.

One local economic development official was contacted during the evaluation to assist in evaluating AUB's CRA performance. The assessment area has experienced considerable growth over the past decade resulting in more opportunities for participation in community development endeavors. The contact noted there is a need for mortgage lending given the recent population growth; additionally, the contact stated there are opportunities to participate on school boards and contribute to community outreach initiatives. The official was not aware of any bank participating in discriminatory acts.

Overall, there is readily available opportunity for community development loans and investments within the market area. Despite a competitive market, the bank faces no significant constraints in taking advantage of all available community development opportunities.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:**

### **LENDING TEST**

The institution's overall lending performance within this assessment area is considered adequate. This conclusion is based on the evaluation of the bank's lending activity, the geographic and borrower lending distribution and the level of community development lending while taking into account the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data.

#### **Lending Activity:**

The HMDA and small business lending within the assessment area, as measured by number (.7%), is similar to the percentage of branch offices (.8%), but exceeds the percentage of deposits (.3%). Lending by dollar volume (1.2%) exceeds the percentages of both branch offices and deposits. As of June 30, 2019, the institution ranked 24<sup>th</sup> out of 33 financial institutions in deposit market share with .2% of the assessment areas' available FDIC insured deposits (credit union deposits are not included). When compared to 2019 aggregate data, the institution ranked 139<sup>th</sup> of 605 reporters of mortgage lending with a .03% market share and ranked 46<sup>th</sup> of 117 reporters of small business loans with a .07% market share. All market share rankings consider originated and purchased loans. Overall, lending activity is considered good when considering the number of branch offices and amount of deposits.

#### **Geographic Distribution:**

AUB's geographic distribution performance is considered excellent for HMDA, but is considered poor for small business lending. Overall performance is considered good based upon the relative performance and dollar volume of lending for each product during 2018 and 2019.

**Distribution of HMDA Loans by Income Level of Census Tract**

Raleigh, NC (2019)									
Income Categories	Bank			Aggregate					
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$	
	<b>(8)</b>			<b>Home Purchase</b>			<b>(27,876)</b>		
Low	0	0.0	0	0.0	708	2.5	164,593	2.0	
Moderate	0	0.0	0	0.0	4,922	17.7	1,090,001	13.2	
Middle	2	25.0	502	38.3	9,774	35.1	2,572,310	31.2	
Upper	6	75.0	810	61.7	12,470	44.7	4,428,186	53.6	
	<b>(4)</b>			<b>Refinance</b>			<b>(19,539)</b>		
Low	0	0.0	0	0.0	346	1.8	68,635	1.3	
Moderate	2	50.0	211	25.0	3,108	15.9	587,805	11.4	
Middle	1	25.0	484	57.3	6,409	32.8	1,472,873	28.6	
Upper	1	25.0	150	17.7	9,676	49.5	3,029,156	58.7	
	<b>(1)</b>			<b>Home Improvement</b>			<b>(3,020)</b>		
Low	0	0.0	0	0.0	56	1.9	3,783	1.6	
Moderate	0	0.0	0	0.0	426	14.1	25,267	10.5	
Middle	0	0.0	0	0.0	1,019	33.7	67,717	28.1	
Upper	1	100.0	84	100.0	1,519	50.3	144,275	59.8	
	<b>(1)</b>			<b>Multi-Family</b>			<b>(87)</b>		
Low	0	0.0	0	0.0	14	16.1	110,905	10.3	
Moderate	1	100.0	2,400	100.0	29	33.3	245,858	22.8	
Middle	0	0.0	0	0.0	25	28.7	360,600	33.4	
Upper	0	0.0	0	0.0	19	21.9	361,878	33.5	
	<b>HMDA Totals</b>			<b>HMDA Totals</b>			<b>HMDA Totals</b>		
Low	0	0.0	0	0.0	1,124	2.2	347,916	2.4	
Moderate	3	21.4	2,611	56.3	8,485	16.8	1,948,931	13.2	
Middle	3	21.4	986	21.2	17,227	34.1	4,473,500	30.4	
Upper	8	57.2	1,044	22.5	23,684	46.9	7,963,495	54.0	
NA*	0	0.0	0	0.0	2	0.0	491	0.0	
<b>Total</b>	<b>14</b>	<b>100.0</b>	<b>4,641</b>	<b>100.0</b>	<b>50,522</b>	<b>100.0</b>	<b>14,734,333</b>	<b>100.0</b>	

NA\*-Tracts without household or family income as applicable

Home purchase loans were the leading HMDA product by number followed by refinance loans for both AUB and aggregate lenders during 2019. Given the limited volume within the assessment area, home improvement and multifamily lending were not factors in the analysis. The bank's home purchase lending performance is considered very poor, while its refinance lending performance is considered excellent in 2019.

As reflected in the preceding table, the bank did not originate any 2019 HMDA loans in low-income census tracts, as both the aggregate lending level (2.2%) and the percentage of owner-occupied housing units located in such tracts (2.1%) indicate a limited amount of demand. AUB's level of lending in moderate-income census tracts (17.6%) is less than the owner-occupied housing units located in moderate-income census tracts (19.2%), but is similar to the level of aggregate lending in such tracts (16.8%) and is considered good. Overall, the bank's 2019 performance is considered good.

During 2018, the bank reported 11 HMDA loans totaling \$4.2 million within the assessment area. Of this total, two (18.2%) totaling \$789,000 (18.8%) were located in low-income census tracts and three (27.3%) totaling \$2.3 million (54.6%) were located in moderate-income census tracts. AUB's lending in low-income census tracts was considered excellent, as the bank's lending significantly exceeded the aggregate lending level (2.3%) and the percentage of owner-occupied housing units located in such tracts (2.1%). AUB's lending in moderate-income tracts is also considered excellent, as lending was less than both aggregate lending levels and the proportion of owner-occupied housing units in such tracts (17.5% and 19.2%, respectively). Overall, performance during 2018 is considered excellent.

The bank's overall HMDA lending performance is considered excellent based upon relative performance and the dollar volume of lending in each year.

**Distribution of Small Business Loans by Income Level of Census Tract**

Raleigh-Cary, NC (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	1	5.0	150	2.4	1,170	4.0	56,885	4.8
Moderate	0	0.0	0	0.0	5,280	17.8	203,665	17.3
Middle	8	40.0	2,887	46.5	9,444	31.9	381,059	32.3
Upper	11	55.0	3,171	51.1	13,692	46.2	536,596	45.5
NA*	0	0.0	0	0.0	17	0.1	1,638	0.1
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>6,208</b>	<b>100.0</b>	<b>29,603</b>	<b>100.0</b>	<b>1,179,843</b>	<b>100.0</b>

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

AUB's level of 2019 small business lending in low-income census tracts (5%) exceeded both the aggregate reporters' lending levels (4%) and the percentage of businesses located in such tracts (4.1%), and is considered excellent. The bank did not originate any small business loans in moderate-income census tracts, and performance is considered very poor, as aggregate lending (17.8%) and the percentage of businesses in such tracts (19.7%) indicate ample opportunities exist. Overall, the level of small business lending performance in 2019 is considered very poor.

In 2018, the bank reported ten small business loans totaling \$3.2 million within the assessment area. Of this total, no loans were located in low-income census tracts, while two (20%) totaling \$1.4 million (43.7%) were located in moderate-income census tracts. AUB's lack of lending in low-income census tracts was considered poor as aggregate lending levels (4.1%) and the percentage of businesses in such tracts (4%) indicate opportunities are present. Alternatively, the bank's level of lending in moderate-income census tracts was greater than both aggregate reporters' lending levels and demographics (17.2% and 19.5%, respectively) and is considered good. The level of small business lending performance in 2018 overall is considered good.

Overall, the bank's small business lending performance is considered poor based upon the relative performance and greater dollar volume of lending during 2019.

**Distribution by Borrower Income and Revenue Size of the Business:**

The borrower distribution of HMDA loans is considered very poor, while the borrower distribution for small business loans is good. Overall, the distribution is considered poor when considering the relative performance and greater dollar volume of HMDA lending during the years analyzed.



**Distribution of HMDA Loans by Income Level of Borrower**

Raleigh-Cary, NC (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>HMDA Totals</b>								
Low	0	0.0	0	0.0	3,488	7.8	519,265	4.3
Moderate	0	0.0	0	0.0	8,982	20.0	1,793,700	14.8
Middle	2	28.6	595	42.0	11,263	25.1	2,795,787	23.1
Upper	5	71.4	821	58.0	21,227	47.1	7,002,314	57.8
<b>Total</b>	<b>7</b>	<b>100.0</b>	<b>1,416</b>	<b>100.0</b>	<b>44,960</b>	<b>100.0</b>	<b>12,111,066</b>	<b>100.0</b>
Unknown	10		3,586		5,562		2,623,267	

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

During 2019, the bank did not originate any HMDA loans to low-income borrowers, while the percentage of aggregate lending levels to such borrowers and the percentage of low-income families within the assessment area (7.8% and 19.9%, respectively) indicate demand for lending exist. Similarly, AUB did not originate any HMDA loans to moderate-income borrowers, while the percentage of aggregate lending levels (20%) and the percentage of moderate-income families (16.2%) indicate significant opportunities exist. Overall, the bank's performance during 2019 is considered very poor, and its lending performance in 2018 was substantially similar.

**Distribution of Lending by Loan Amount and Size of Business**

Raleigh-Cary, NC (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	10	50.0	2,917	47.0	14,360	48.0	443,433	37.3
Over \$1 Million	9	45.0	3,213	51.8	NA	NA	NA	NA
Unknown	1	5.0	78	1.2	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	4	20.0	288	4.6	27,909	93.3	453,592	38.2
\$100,001-\$250,000	9	45.0	1,742	28.1	967	3.2	171,155	14.4
\$250,001-\$1 Million	7	35.0	4,178	67.3	1,026	3.5	563,205	47.4
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>6,208</b>	<b>100.0</b>	<b>29,902</b>	<b>100.0</b>	<b>1,187,952</b>	<b>100.0</b>

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

D&B data from 2019 indicates that 92.4% of all local businesses have revenues that do not exceed \$1 million per year. According to 2019 aggregate small business data, 48% 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 had unknown revenues. As part of performance context, the aggregate data was also considered after excluding certain specialty lenders. After excluding these lenders, 56.7% of the remaining reported small business loans were to businesses having revenues of \$1 million or less. Of the small business loans reported by AUB, originations to businesses having annual revenues of \$1 million or less equaled 50%. Given these contextual factors, the bank's small business lending performance is considered adequate.

In 2018, AUB originated ten small business loans totaling \$3.2 million. Of these loans, the bank extended seven loans (70%) totaling \$1.9 million (58.5%) to businesses with annual revenues of \$1 million or less. Based on available D&B demographic data (92%) and aggregate data (47.7%), and after excluding specialty lenders (52.5%), the bank's performance is considered excellent.

Overall, the bank's small business lending performance is considered good based upon the relative performance and dollar volume of lending for each year.

### **Community Development Lending:**

As previously discussed, opportunities for community development lending are readily available within the assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the Raleigh-Cary, NC assessment area. During the evaluation period, one qualified community development loan was originated, totaling \$50,000 within the assessment area which provided funding for affordable housing. The bank also originated two loans totaling \$4.4 million as a part of the PPP. This level of community development lending is considered poor, as ample opportunities exist in the area for community development lending given the local population growth and associated need for affordable housing as indicated by a local community official.

### **INVESTMENT TEST**

AUB's investment test performance in the assessment area is considered adequate, as further investments in statewide or regional areas could benefit the community as the assessment area consists of a single county. The bank has approximately \$1 million in qualified investments that directly benefit this assessment area, including:

- \$1 million of the bank's \$2 million investment in the CAHEC Fund has been specifically allocated to this assessment area. The fund helps provide affordable housing for low-income residents.
- \$33,455 of the \$3 million Plexus SBIC IV Fund has been allocated to this assessment area which assists in promoting job creation and economic development.

Charitable donations of \$26,000 have been made in this market qualifying as community development investments. These donations support organizations whose operations primarily benefit low- and moderate-income people.

### **SERVICE TEST**

Within the assessment area, AUB's performance under the service test is considered good. Systems for delivering retail banking services are accessible to all portions of the assessment area, including low- and moderate-income areas. No branch changes have occurred since the previous evaluation. Also, AUB employees provide a relatively high level of services that include active participation in community development organizations.

### **Retail Services:**

Delivery systems are accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail, online banking, and mobile banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system.

The bank operates one full-service branch office within the market located in a middle-income census tract. The distribution of branches is poor when considering 5.5% and 22.7% of the assessment area's households reside in low- and moderate-income areas, respectively, according to 2015 census data. Branch locations and business hours are considered convenient and meet the needs of the assessment area.

### **Community Development Services:**

AUB and its employees provide a relatively high level of activities that qualify as community development service endeavors within the assessment area by providing financial expertise to three organizations. The limited amount of staff within a single branch in the assessment area is an important element of performance context. These activities include, but are not limited to the following:

- Teaching a literacy course at an elementary school where the majority of children are eligible for free or reduced lunch as a part of the Junior Achievement program.
- Boys and Girls Club of Wake County – A bank officer serves as a board member of this organization which provides community services and resources primarily to at-risk youth.
- Triangle Family Services – A bank officer serves as a board member of this organization providing housing programs, financial counseling, domestic safety, and mental health treatment to low- and moderate-income individuals.

**NON-METROPOLITAN STATEWIDE AREA**

*(If none of the assessment areas within the non-metropolitan statewide area were reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN STATEWIDE ASSESSMENT AREA**

The assessment area noted in the table below, was reviewed using the limited review examination procedures. Information detailing the composition of the assessment areas is included in **APPENDIX E** of this report. Information about loan volume, branches, and deposits are included in **APPENDIX D** of this report.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

Facts and data reviewed for each assessment area, including performance and demographic information, can be found in **APPENDIX C** of this evaluation. Conclusions regarding performance, which did not impact the State of North Carolina’s overall rating, are included in the following tables. For each test, the conclusion conveys whether performance in an assessment area was generally below, consistent with, or exceeded the institution's statewide ratings.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Chowan, NC NonMSA	Exceeds	Consistent	Consistent

## STATE OF MARYLAND

**CRA RATING FOR MARYLAND<sup>4</sup>:** *Satisfactory*  
*The lending test is rated: Outstanding*  
*The investment test is rated: High Satisfactory*  
*The service test is rated: Low Satisfactory*

Major factors supporting the rating include:

- Lending activity reflects a good responsiveness to community credit needs given the bank's capacity within a highly competitive market.
- Geographic and borrower distribution performances are considered excellent overall.
- The bank exhibits an excellent record of serving the credit needs of low-income individuals and areas as well as very small businesses.
- The bank makes a relatively high level of community development loans that demonstrate a good responsiveness to local credit needs and made limited use of flexible lending practices in serving the assessment area's credit needs.
- AUB has a relatively high level of qualified investments that benefits this assessment area exhibiting a good responsiveness to community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are readily accessible within the bank's assessment area located in Maryland. Retail banking services do not vary in a way that inconveniences the bank's assessment areas, particularly low- and moderate-income areas and people.
- There were no branch openings or closures during the evaluation period.
- The institution provides few if any community development services.

## SCOPE OF EXAMINATION

Reported HMDA and small business loans from calendar years 2018 and 2019 were analyzed to determine the geographic and the borrower distribution of the bank's lending. Community development loans made during this period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or outstanding as of the evaluation date, regardless of when made, were also considered.

The bank has delineated one assessment area, a portion of the Salisbury, MD-DE MSA, in the State of Maryland. This assessment area accounts for .5%, 1.6%, and .7% of the institution's overall lending, branches, and deposit volume, respectively. Statewide ratings for Maryland are based solely on the bank's performance in this assessment area.

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<sup>4</sup> 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.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SALISBURY, MD ASSESSMENT AREA**

The Salisbury, MD assessment area is located in southeastern Maryland and is comprised of Somerset, Wicomico, and Worcester Counties, Maryland, which encompass a portion of the Salisbury, MD-DE MSA. No revisions to the assessment area were made as a part of the OMB’s delineation changes. According to the 2015 census data, the assessment area has a population of 178,681 and a median housing value of \$190,177. The owner-occupancy rate in the assessment area equals 40.6%, which is lower than the rate for the entire MSA (45.3%) and significantly lower than the State of Maryland rate (60.1%). The overall family poverty rate within the assessment area (11.1%) is higher than the rates in the state (7%) and the entirety of the MSA (9.8%). The Salisbury, MD-DE MSA median family income during 2018 and 2019 equaled \$69,200 and \$70,500, respectively. The following table includes pertinent demographic data for the assessment area.

**Assessment Area Demographics**

Salisbury, MD (Based on 2015 ACS Data and 2019 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	2.3	867	2.0	303	34.9	9,549	22.1
Moderate	9	20.5	9,060	21.0	1,849	20.4	7,455	17.3
Middle	18	40.9	18,885	43.8	1,824	9.7	8,688	20.1
Upper	12	27.3	14,333	33.2	825	5.8	17,462	40.5
NA	4	9.0	9	0.0	0	0.0		
<b>Total</b>	<b>44</b>	<b>100.0</b>	<b>43,154</b>	<b>100.0</b>	<b>4,801</b>	<b>11.1</b>	<b>43,154</b>	<b>100.0</b>
	<b>Owner Occupied Units by Tract</b>		<b>Households</b>					
			<b>HHs by Tract</b>		<b>HHs &lt; Poverty by Tract</b>		<b>HHs by HH Income</b>	
	#	%	#	%	#	%	#	%
Low	709	1.6	1,310	2.0	452	34.5	16,895	25.5
Moderate	6,281	14.2	15,247	23.1	3,581	23.5	10,970	16.6
Middle	20,537	46.5	29,437	44.5	3,814	13.0	11,111	16.8
Upper	16,588	37.7	20,141	30.4	1,612	8.0	27,171	41.1
NA	9	0.0	12	0.0	0	0.0		
<b>Total</b>	<b>44,124</b>	<b>100.0</b>	<b>66,147</b>	<b>100.0</b>	<b>9,459</b>	<b>14.3</b>	<b>66,147</b>	<b>100.0</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract and Revenue Size</b>					
			<b>Less than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue not Reported</b>	
	#	%	#	%	#	%	#	%
Low	92	1.1	81	1.0	9	1.4	2	2.0
Moderate	1,345	15.6	1,207	15.3	117	17.7	21	21.0
Middle	4,377	50.6	3,943	50.0	380	57.5	54	54.0
Upper	2,825	32.6	2,647	33.6	155	23.4	23	23.0
NA	6	0.1	6	0.1	0	0.0	0	0.0
<b>Total</b>	<b>8,645</b>	<b>100.0</b>	<b>7,884</b>	<b>100.0</b>	<b>661</b>	<b>100.0</b>	<b>100</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			91.2		7.6		1.2

\*NA-Tracts without household or family income as applicable

The hospitality, food, and retail industries, provide a large portion of area employment for residents. The largest employers include Perdue Farms Inc., Peninsula Regional Medical Center, Wal-Mart, Phillips Crab House, and Princess Royale Oceanfront Hotel. Recent and historical unemployment rates since the previous evaluation are included in the following table.

Geographic Area	July 2018	July 2019	July 2020	January 2021
Somerset County, MD	6.7%	6.2%	8.6%	8.6%
Wicomico County, MD	4.9%	4.5%	7.4%	7.3%
Worcester County, MD	5.4%	5%	9.2%	12.2%
Salisbury, MD-DE MSA	5.3%	4.8%	8.1%	8.9%
State of Maryland	4.1%	3.8%	8.8%	6.4%

As reflected in the preceding table, unemployment rates varied across the assessment area, but significantly increased in 2020 as a result of the pandemic. The Salisbury, MD-DE MSA unemployment rates were slightly higher than those of the State of Maryland during the majority of the review period.

An economic development official noted the nature of the tourism industry within the assessment area and the challenges associated with it; however, the official also recognized the opportunities this presents for financial institutions. Affordable housing is in demand for both residents and the workforce who participate in the tourism industry in the region. The contact also stated local banks assist in providing funding for economic development and revitalization projects within the assessment area. No evidence of any banks participating in discriminatory acts was identified.

Overall, there is reasonable opportunity for community development loans and investments within the market area. The institution faces no significant constraints in taking advantage of all available community development opportunities.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SALISBURY, MD ASSESSMENT AREA

### LENDING TEST

The institution's overall lending performance within this assessment area is considered outstanding. This conclusion is based on an evaluation of AUB's lending activity, its geographic and its borrower distribution of lending, and its level of community development lending, while taking into account the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data. Excellent overall geographic and borrower distribution performance is the primary driver for the overall lending test rating in this market.

#### Lending Activity:

The HMDA and small business lending within the assessment area, as measured by the number of loans (.5%) and dollar volume of loans (.6%), is similar to the percentage of deposits (.7%), but less than the percentage of branch offices (1.6%) in the assessment area. As of June 30, 2019, AUB ranked 12<sup>th</sup> out of 14 financial institutions in deposit market share having 2.4% of the assessment area's available FDIC insured deposits (credit union deposits are not included). According to 2019 aggregate data, the institution ranked 56<sup>th</sup> of 352 reporters of mortgage lending with a .2% market share and ranked 29<sup>th</sup> of 66 reporters of small business loans with a .2% market share. All market share rankings consider originated and purchased loans. As such, overall lending activity is considered good when considering the number of branch offices and deposit market share.

#### Geographic Distribution:

Overall, the geographic loan distribution within this assessment area is considered excellent for both HMDA and small business lending.

**Distribution of HMDA Loans by Income Level of Census Tract**

Salisbury, MD (2019)												
Income Categories	Bank			Home Purchase			Refinance			Aggregate		
	#	%	\$(000s)	%\$	#	%	\$(000s)	%	#	%	\$(000s)	%\$
Low	0	0.0	0	0.0	31	0.7	3,740	0.4	(4,341)			0.4
Moderate	0	0.0	0	0.0	404	9.3	58,473	6.3				6.3
Middle	1	50.0	270	22.0	2,009	46.3	405,405	43.9				43.9
Upper	1	50.0	960	78.0	1,897	43.7	456,870	49.4				49.4
	<b>(4)</b>			<b>(2,039)</b>			<b>(2,039)</b>					
Low	0	0.0	0	0.0	11	0.5	957	0.2				0.2
Moderate	0	0.0	0	0.0	158	7.7	21,884	5.1				5.1
Middle	4	100.0	872	100.0	900	44.1	172,905	40.5				40.5
Upper	0	0.0	0	0.0	970	47.7	231,657	54.2				54.2
	<b>(1)</b>			<b>(277)</b>			<b>(277)</b>					
Low	0	0.0	0	0.0	5	1.8	337	1.7				1.7
Moderate	1	100.0	100	100.0	27	9.7	1,584	8.0				8.0
Middle	0	0.0	0	0.0	119	43.0	7,684	39.0				39.0
Upper	0	0.0	0	0.0	126	45.5	10,075	51.3				51.3
	<b>(1)</b>			<b>(25)</b>			<b>(25)</b>					
Low	0	0.0	0	0.0	0	0.0	0	0.0				0.0
Moderate	0	0.0	0	0.0	10	40.0	34,338	27.7				27.7
Middle	1	100.0	675	100.0	9	36.0	61,755	49.7				49.7
Upper	0	0.0	0	0.0	6	24.0	28,076	22.6				22.6
	<b>(1)</b>			<b>(25)</b>			<b>(25)</b>					
	<b>HMDA Totals</b>											
Low	0	0.0	0	0.0	47	0.7	5,034	0.3				0.3
Moderate	1	12.5	100	3.5	599	9.0	116,279	7.8				7.8
Middle	6	75.0	1,817	63.2	3,037	45.5	647,749	43.3				43.3
Upper	1	12.5	960	33.3	2,999	44.8	726,678	48.6				48.6
NA*	0	0.0	0	0.0	0	0.0	0	0.0				0.0
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>2,877</b>	<b>100.0</b>	<b>6,682</b>	<b>100.0</b>	<b>1,495,740</b>	<b>100.0</b>				<b>100.0</b>

NA\*-Tracts without household or family income as applicable

For AUB, refinance loans were the leading HMDA product by number followed by home purchase loans during 2019; however, aggregate reports show home purchase lending was the leading HMDA product by number followed by refinance loans. Home improvement and multifamily lending were given less weight due to limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance, home purchase, and multi-family lending are considered poor, while home improvement lending is considered excellent.

As reflected in the preceding table, AUB did not originate any 2019 HMDA loans in low-income census tracts, as aggregate lending levels (.7%) and the percentage of owner-occupied housing units located in such tracts (1.6%) indicated limited demand. The bank's level of lending in moderate-income census tracts (12.5%) exceeds the level of aggregate lending in such tracts (9%) and is similar to the owner-occupied housing units located in moderate-income census tracts (14.2%) and is considered excellent. Overall, the bank's 2019 performance is considered excellent, and its 2018 performance is similar.



**Distribution of Small Business Loans by Income Level of Census Tract**

Salisbury, MD (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	0	0.0	0	0.0	91	2.1	4,607	2.7
Moderate	4	36.4	743	25.8	636	14.9	23,929	13.9
Middle	5	45.5	1,679	58.3	2,038	47.7	91,279	53.1
Upper	2	18.1	460	15.9	1,503	35.3	52,208	30.3
NA*	0	0.0	0	0.0	1	0.0	3	0.0
<b>Total</b>	<b>11</b>	<b>100.0</b>	<b>2,882</b>	<b>100.0</b>	<b>4,269</b>	<b>100.0</b>	<b>172,026</b>	<b>100.0</b>

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

The bank did not originate any small business loans in low-income census tracts, as aggregate reporters' lending levels (2.1%) and the percentage of businesses located in such tracts (1.1%) indicated limited lending opportunities. AUB's level of lending in moderate-income census tracts (36.4%) significantly exceeds aggregate lending (14.9%) and the percentage of businesses in such tracts (15.6%), and is considered excellent. Overall, the bank's small business lending performance during 2019 is considered excellent, and its performance during 2018 is substantially similar.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank's borrower distribution is considered excellent for HMDA lending and good for small business lending within the assessment area. Overall, borrower distribution is considered to be excellent when considering the strength of HMDA lending performance and the dollar volume of each lending product during the years analyzed.

**Distribution of HMDA Loans by Income Level of Borrower**

Salisbury, MD (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>HMDA Totals</b>								
Low	0	0.0	0	0.0	379	6.8	39,512	3.4
Moderate	5	41.7	1,024	56.5	947	16.9	141,302	12.3
Middle	4	33.3	242	13.4	1,143	20.4	201,919	17.5
Upper	3	25.0	545	30.1	3,125	55.9	769,993	66.8
<b>Total</b>	<b>12</b>	<b>100.0</b>	<b>1,811</b>	<b>100.0</b>	<b>5,594</b>	<b>100.0</b>	<b>1,152,726</b>	<b>100.0</b>
Unknown	2		1,635		1,088		343,014	

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

During 2019, the bank did not originate any HMDA loans to low-income borrowers, while the percentage of aggregate lending (6.8%) to such borrowers and the percentage of low-income families residing in the assessment area (22.1%) indicate opportunities exist. The bank's level of lending to moderate-income borrowers (41.7%) significantly exceeds both the aggregate lending (16.9%) to such borrowers and the percentage of moderate-income families in the assessment area (17.3%) and is considered excellent. Overall, the bank's HMDA lending performance during 2019 is considered excellent, and its performance during 2018 is similar.

**Distribution of Lending by Loan Amount and Size of Business**

Salisbury, MD (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	7	63.6	1,588	55.1	2,006	46.4	77,830	45.1
Over \$1 Million	3	27.3	1,072	37.2	NA	NA	NA	NA
Unknown	1	9.1	222	7.7	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	4	36.4	232	8.0	4,010	92.8	58,232	33.7
\$100,001-\$250,000	3	27.3	522	18.1	147	3.4	25,084	14.5
\$250,001-\$1 Million	4	36.3	2,128	73.9	164	3.8	89,381	51.8
<b>Total</b>	<b>11</b>	<b>100.0</b>	<b>2,882</b>	<b>100.0</b>	<b>4,321</b>	<b>100.0</b>	<b>172,697</b>	<b>100.0</b>

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

D&B data from 2019 indicates that 91.2% of all local businesses have revenues of \$1 million or less per year, and aggregate lending data from 2019 indicates that 46.4% of reported small business loans were made to businesses having annual revenues of \$1 million or less. The remaining portion of loans were made to businesses that either had revenues greater than \$1 million or had unknown revenues. As part of performance context, aggregate lending data was also considered after excluding certain specialty lenders. Of the remaining small business loans originated by traditional bank lenders, 53.2% were made to businesses having annual revenues of \$1 million or less. With 63.6% of its small business loans made to businesses with annual revenues of \$1 million or less, the bank's level of lending in 2019 is considered good, and its lending performance in 2018 is substantially similar.

**Community Development Lending:**

As previously discussed, opportunities for community development lending are reasonably available within this assessment area. When considering the bank’s capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period the bank did not make a community development loan within this market; however, did originate two loans totaling \$2.4 million as a part of the PPP within this assessment area. To the extent that AUB made loans that facilitate community development, such loans have already been reported as small business, small farm, or HMDA loans and cannot also be reported as community development loans. When considering the performance of local institutions and identified opportunities by a local community official, opportunities were available to provide assistance within this assessment area and the bank made a good level of community development lending based on their capacity, resources, and market presence within the assessment area.

**INVESTMENT TEST**

The bank’s investment test performance in the assessment area is rated high satisfactory. AUB has \$3.2 million in qualified investments that directly benefit this assessment area, including:

- \$3 million of the institution’s \$6 million investment in the PNC LIHTC Fund, of which \$2.7 million is committed but not yet funded, is specifically allocated to this assessment area which helps to provide affordable housing for low- and moderate-income residents.
- \$231,561 of the bank’s \$3.5 million investment in a qualified CRA fund is specifically allocated to this assessment area. The fund promotes affordable housing and economic development by investing directly for community development purposes.

Charitable donations of \$12,000 have also been made in this market. These donations supported financial literacy efforts in local schools whose majority of students were eligible for free or reduced lunch.

## **SERVICE TEST**

AUB's performance under the service test within the Salisbury, MD assessment area is rated low satisfactory. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, including low and moderate-income areas. No branch changes have occurred since the previous evaluation, and branch distribution is considered excellent. Bank employees did not provide any community development services during the review period.

### **Retail Services:**

Delivery systems and branch locations are reasonably accessible to geographies and individuals of different income levels within the assessment area. Alternative delivery systems are available through 24-hour ATM access, online and mobile banking, bank-by-mail, and bank-by-phone services that are offered by the institution.

The bank operates two full-service branch offices within the market, both of which are located in moderate-income census tracts. The distribution of branches is excellent when considering that 2% and 23.1% of the assessment area's households reside in low- and moderate-income areas, respectively according to the 2015 census. Branch locations and business hours are considered convenient and meet the needs of the assessment area. No branches have been opened or closed since the previous evaluation.

### **Community Development Services:**

The institution did not provide any community development services within the assessment area during the review period. The limited number of branches and employees within such branches play a role in performance context when assessing the bank's opportunities; however, conversations with a community development official and local bank service participation indicate opportunities do exist for AUB to provide financial expertise to community development organizations within the assessment area.

**CRA APPENDIX A**  
**SCOPE OF EXAMINATION**

<b>LIST OF ASSESSMENT AREAS, TYPE OF EXAMINATION, AND BRANCHES VISITED</b>		
<b>Assessment Area</b>	<b>Type of Examination</b>	<b>Branches Visited*</b>
Virginia Beach-Norfolk, VA-NC	Full Scope	None
Washington-Baltimore-Alexandria, VA	Full Scope	None
Richmond, VA	Full Scope	None
Blacksburg-Christiansburg, VA MSA	Limited Scope	None
Charlottesville, VA MSA	Limited Scope	None
Harrisonburg-Staunton, VA CSA	Limited Scope	None
Lynchburg, VA MSA	Limited Scope	None
Roanoke, VA MSA	Limited Scope	None
Covington-Buena Vista, VA NonMSA	Limited Scope	None
Emporia, VA NonMSA	Limited Scope	None
Essex-Northampton, VA NonMSA	Limited Scope	None
Orange, VA NonMSA	Limited Scope	None
Wythe, VA NonMSA	Limited Scope	None
Raleigh-Cary, NC	Full Scope	None
Chowan, NC NonMSA	Limited Scope	None
Salisbury, MD	Full Scope	None

\*No branches were visited due to constraints as a result of COVID-19.

**CRA APPENDIX B**

**Summary of State and Multistate MSA Ratings**

<b>State or Multistate Metropolitan Area Name</b>	<b>Lending Test Rating</b>	<b>Investment Test Rating</b>	<b>Service Test Rating</b>	<b>Overall Rating</b>
Virginia Beach-Norfolk, VA-NC	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Commonwealth of Virginia	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State of North Carolina	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
State of Maryland	Outstanding	High Satisfactory	Low Satisfactory	Satisfactory

## CRA APPENDIX C

### LIMITED REVIEW TABLES

The limited review tables presented within this appendix provide lending information for the bank during 2019. The tables contain the number of bank loans and corresponding percentages of lending within low- and moderate-income census tracts as well as lending to low- and moderate-income borrowers and businesses of different revenues. Additionally, the tables also provide the corresponding 2019 aggregate lending levels within those tracts and to borrowers for HMDA and small business loans. While 2018 lending tables are not included, the data was analyzed and a statement is included with respect to its performance that is included below each limited review lending table.

The tables also detail the demographic demand proxies for HMDA and small business loans. For HMDA lending, the demographic proxy for lending in low- and moderate-income census tracts is the percentage of owner-occupied housing within those tracts, while the proxy for lending to low- and moderate-income borrowers is the percentage of area families that are low- and moderate-income. For small business lending, the proxies for lending in low- and moderate-income census tracts are the percentages of businesses located within these tracts. Additionally, the percentages of total businesses and farms with revenues less than \$1 million are used as proxies for the distributions of lending by size of business.

For each assessment area, community development lending and information considered when evaluating performance under the investment and service tests is also provided. The number of branches in low- and moderate-income tracts is specified as well as the total number of branch locations.

**Blacksburg-Christiansburg, VA MSA Assessment Area**

The Blacksburg-Christiansburg-Radford, VA MSA has been renamed the Blacksburg-Christiansburg, VA MSA as a result of revised delineations by the OMB. This market includes all of Giles, Montgomery, and Pulaski Counties, Virginia, as well as, the city of Radford, Virginia, none of which contain low-income census tracts. Floyd County, Virginia is no longer a portion of the Blacksburg-Christiansburg, VA MSA delineation as a part of the OMB revisions and is reflected in the bank's Wythe, VA NonMSA assessment area. The Blacksburg-Christiansburg, VA MSA assessment area accounts for 4.3% of the institution's lending volume by number and 2.3% by dollar volume, while accounting for 5.4% of branches and 5.6% of deposit volume.

**Performance Test Data for the Blacksburg-Christiansburg, VA MSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Blacksburg-Christiansburg, VA MSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(13)</b>				<b>(21)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	7.7	3.1	1.1	1	4.8	0.6	1.1
Middle	10	76.9	67.5	76.7	13	61.9	69.5	76.7
Upper	2	15.4	29.4	21.6	7	33.3	29.9	21.6
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(37)</b>				<b>(1)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	1.4	1.1	1	100.0	5.9	1.1
Middle	30	81.1	67.8	76.7	0	0.0	79.4	76.7
Upper	7	18.9	30.7	21.6	0	0.0	14.7	21.6
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(72)</b>				<b>(NA)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	4.2	2.5	1.1	NA	NA	NA	NA
Middle	53	73.6	67.8	76.7	NA	NA	NA	NA
Upper	16	22.2	29.7	21.6	NA	NA	NA	NA
<i>Borrower</i>	<b>(68)</b>				<b>(NA)</b>			
Low	10	14.7	6.0	18.6	NA	NA	NA	NA
Moderate	16	23.5	19.4	18.3	NA	NA	NA	NA
Middle	15	22.1	24.1	21.7	NA	NA	NA	NA
Upper	27	39.7	50.5	41.5	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(22)</b>				<b>(1)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	1.4	1.5	0	0.0	0.0	0.0
Middle	13	59.1	71.1	73.1	1	100.0	85.9	81.1
Upper	9	40.9	27.6	23.1	0	0.0	14.1	18.9
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	10	40.0	51.4	91.1	1	100.0	73.2	98.8

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

HMDA geographic distribution performance is excellent in 2019 and poor in 2018, while small business performance is poor during both years. HMDA borrower distribution performance is excellent during 2019 and good during 2018, while small business borrower distribution performance is adequate both years. The bank originated two loans totaling \$5.6 million as a part of the PPP within this assessment area. The bank's lending performance in this assessment area is below the performance reflected in the Commonwealth of Virginia rating.

### **INVESTMENT TEST**

Qualified investments total \$835,349 and include \$792,896 allocated from the \$25.8 million VCDC Housing Equity Funds within this assessment area which assists in providing affordable housing. In addition, \$42,453 of the bank's \$500,000 investment in the CCB certificate of deposit is allocated within this assessment area, which provides loans and investments for affordable housing and economic development projects. Charitable donations totaling \$11,150 were also made in this market. Overall, this level of investments is consistent with the statewide rating.

### **SERVICE TEST**

The bank operates seven branch offices within the assessment area, none of which are located within the moderate-income census tract. One branch office, located in a middle-income tract, was closed since the previous evaluation. The bank offers services that are substantially similar to those which are available to other communities the bank serves. Employees serve on the board or on committees at six organizations such as The Blacksburg Partnership and Onward New River Valley, which both promote economic development in the area. In addition, employees provide financial expertise to community organizations serving low- and moderate-income families within the community such as the Community Foundation of the New River Valley and Radford Elf Shelf. Overall, service performance exceeds the statewide rating.



**Charlottesville, VA MSA Assessment Area**

The Charlottesville, VA MSA assessment area consists of Albemarle, Fluvanna, Greene, and Nelson Counties, Virginia, along with the city of Charlottesville, Virginia after the OMB’s revised delineations. As such, the full Charlottesville, VA MSA is now a delineated assessment area of the bank. This market accounts for 4.6% of the institution’s lending volume by number and 4.7% by dollar volume, while accounting for 4.6% of branches and 4.5% of deposit volume.

**Performance Test Data for the Charlottesville, VA MSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Charlottesville, VA MSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(16)</b>				<b>(44)</b>			
Low	1	6.3	3.3	2.7	1	2.3	1.5	2.7
Moderate	3	18.8	12.0	16.9	4	9.1	11.5	16.9
Middle	4	25.0	57.2	54.5	26	59.1	53.2	54.5
Upper	8	50.0	27.5	26.0	13	29.5	33.8	26.0
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(29)</b>				<b>(1)</b>			
Low	0	0.0	2.9	2.7	0	0.0	11.1	2.7
Moderate	5	17.2	13.6	16.9	1	100.0	33.3	16.9
Middle	18	62.1	53.7	54.5	0	0.0	33.3	54.5
Upper	6	20.7	29.8	26.0	0	0.0	22.2	26.0
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(90)</b>				<b>(91)</b>			
Low	2	2.2	3.1	2.7	0	0.0	NA	4.5
Moderate	13	14.4	12.6	16.9	0	0.0	NA	22.3
Middle	48	53.3	55.7	54.5	91	100.0	NA	48.7
Upper	27	30.0	28.6	26.0	0	0.0	NA	24.5
<i>Borrower</i>	<b>(76)</b>				<b>(91)</b>			
Low	9	11.8	7.5	20.4	27	29.7	NA	24.4
Moderate	16	21.1	19.4	17.4	25	27.5	NA	16.2
Middle	18	23.7	25.3	21.2	18	19.8	NA	18.0
Upper	33	43.4	47.9	41.0	21	23.1	NA	41.4
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(47)</b>				<b>(0)</b>			
Low	3	6.4	3.8	3.3	0	0.0	1.1	0.6
Moderate	4	8.5	16.5	16.4	0	0.0	21.3	24.1
Middle	20	42.6	45.6	45.1	0	0.0	62.8	55.7
Upper	20	42.6	34.0	34.8	0	0.0	14.9	19.5
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	25	53.2	50.2	92.2	0	0.0	53.7	98.0

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

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

*NA represents no activity in the income category*

HMDA borrower distribution performance is considered excellent during 2019, but was good during 2018. Small business borrower distribution performance is good during 2019 and 2018. HMDA geographic distribution performance is good during 2019, but was good during 2018, while small business performance is adequate during both years. Three community development loans totaling \$16.2 million were extended within this assessment area. Two of these loans were to organizations that helped provide or fund affordable housing, while one loan was extended to an organization providing community services to low- and moderate-income individuals in the area. Additionally, AUB originated four loans totaling \$6.6 million as a part of the PPP within this assessment area. The bank's lending performance in this assessment area is consistent with the performance reflected in the Commonwealth of Virginia rating.

## **INVESTMENT TEST**

Qualified investments totaling \$4.1 million were made within the assessment area, all of which is allocated from the \$25.8 million VCDC Housing Equity Funds facilitating the provision of affordable housing in the area. Qualified charitable donations totaling \$4,225 were made within the assessment area. Overall, investment performance is consistent with the statewide rating.

## **SERVICE TEST**

AUB operates six branch offices within the assessment area, one (16.7%) of which is located within a moderate-income census tract. Two branch offices, located in upper-income tracts, have been closed since the previous evaluation. Banking services offered within this assessment area are substantially similar to those offered within other areas the bank serves. Employees served as board or committee members for organizations promoting economic development such as the Central Virginia Partnership, GO Virginia Regional Council, and the Piedmont Workforce Development Board. Additionally, employees served as board or committee members providing financial expertise for organizations such as the Charlottesville United Way and ReadyKids, which provide community services to low- and moderate-income individuals and families. In total, employees provided financial expertise to five organizations within the assessment area. Overall, service performance exceeds the statewide rating.

**Harrisonburg-Staunton, VA CSA Assessment Area**

The Harrisonburg-Staunton-Waynesboro, VA CSA has been renamed the Harrisonburg-Staunton, VA CSA as a result of revised delineations by the OMB. This market includes all of Augusta and Rockingham Counties, Virginia, as well as, the cities of Harrisonburg, Staunton, and Waynesboro, Virginia. This assessment area accounts for 6.3% of the institution’s lending volume by number and 4.3% by dollar volume, while accounting for 6.2% of branches and 4.2% of deposit volume.

**Performance Test Data for the Harrisonburg-Staunton, VA CSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Harrisonburg-Staunton, VA CSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase				Home Improvement			
<i>Geographic</i>	(15)				(24)			
Low	0	0.0	0.8	0.3	0	0.0	0.2	0.3
Moderate	0	0.0	12.1	9.6	2	8.3	6.9	9.6
Middle	11	73.3	75.0	80.3	21	87.5	80.1	80.3
Upper	4	26.7	12.0	9.9	1	4.2	12.8	9.9
	Refinance				Multi-Family			
<i>Geographic</i>	(32)				(0)			
Low	0	0.0	0.5	0.3	0	0.0	5.3	0.3
Moderate	2	6.3	10.3	9.6	0	0.0	15.8	9.6
Middle	26	81.3	76.1	80.3	0	0.0	73.7	80.3
Upper	4	12.5	13.1	9.9	0	0.0	5.3	9.9
	HMDA Totals				Consumer			
<i>Geographic</i>	(71)				(NA)			
Low	0	0.0	0.7	0.3	NA	NA	NA	NA
Moderate	4	5.6	11.2	9.6	NA	NA	NA	NA
Middle	58	81.7	75.7	80.3	NA	NA	NA	NA
Upper	9	12.7	12.4	9.9	NA	NA	NA	NA
<i>Borrower</i>	(63)				(NA)			
Low	13	20.6	10.2	19.2	NA	NA	NA	NA
Moderate	16	25.4	27.3	18.9	NA	NA	NA	NA
Middle	11	17.5	26.6	22.7	NA	NA	NA	NA
Upper	23	36.5	36.0	39.3	NA	NA	NA	NA
	Small Business				Small Farm			
<i>Geographic</i>	(45)				(1)			
Low	3	6.7	2.4	2.9	0	0.0	0.0	0.1
Moderate	7	15.6	13.4	12.8	0	0.0	7.9	3.1
Middle	29	64.4	71.6	73.2	0	0.0	86.3	88.6
Upper	6	13.3	12.6	11.0	1	100.0	5.8	8.2
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	22	48.9	50.1	91.5	0	0.0	65.9	98.7

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

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

NA represents no activity in the income category

HMDA geographic distribution performance is poor in 2019, but is adequate in 2018. Small business geographic performance is excellent during 2019, but is adequate in 2018. HMDA borrower distribution performance is good during both years, while small business borrower distribution performance is adequate during both years. The institution originated three loans totaling \$9.6 million as a part of the PPP within this assessment area. The bank's lending performance in this assessment area is below the performance reflected in the Commonwealth of Virginia rating.

### **INVESTMENT TEST**

Qualified investments total \$1.4 million and include \$594,853 allocated within this assessment area from the bank's \$25.8 million VCDC Housing Equity Funds which assists in providing affordable housing. Additionally, \$809,025 was allocated to this assessment area from the bank's \$1.6 million Solomon Hess SBA Loan Fund which helps promote economic development and job creation. Charitable donations totaling \$2,000 were made within the assessment area. Overall, investment performance is consistent with the statewide rating.

### **SERVICE TEST**

The bank operates eight branch offices within the assessment area, two (25%) of which are located in moderate-income census tracts. Two branch offices have been closed since the previous evaluation, one of which was located in a low-income tract. Banking services offered within this assessment area are similar to those offered within other assessment areas AUB serves. AUB employees provide financial expertise through financial literacy efforts, economic development, and services to low- and moderate-income residents to five schools and organizations in the assessment area. The bank provided financial literacy lessons to one high school within the county where the majority of students qualify for a free or reduced lunch as well as the Harrisonburg Rockingham Chamber of Commerce. An employee serves on the board for the Valley Mission, which provides community services for low- and moderate-income individuals. In addition, an employee serves on the board or on a committee for the Shenandoah Valley Partnership and the Shenandoah Valley Small Business Development Center, which both promote economic development in the region. Overall, service performance exceeds the statewide rating.

**Lynchburg, VA MSA Assessment Area**

This assessment area includes all of Amherst, Appomattox, Bedford, and Campbell Counties, Virginia, along with the city of Lynchburg, Virginia. The Lynchburg, VA MSA assessment area accounts for 3.1% of the institution’s lending volume by number and 2.2% by dollar volume, while accounting for 3.1% of branches and 1.7% of deposit volume.

**Performance Test Data for the Lynchburg ,VA MSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Lynchburg, VA MSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(21)</b>				<b>(13)</b>			
Low	0	0.0	1.3	1.5	0	0.0	0.3	1.5
Moderate	12	57.1	16.4	12.2	0	0.0	11.7	12.2
Middle	8	38.1	56.9	65.1	10	76.9	60.2	65.1
Upper	1	4.8	25.4	21.2	3	23.1	27.8	21.2
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(24)</b>				<b>(4)</b>			
Low	0	0.0	0.5	1.5	0	0.0	0.0	1.5
Moderate	1	4.2	10.4	12.2	2	50.0	41.5	12.2
Middle	14	58.3	62.0	65.1	2	50.0	47.2	65.1
Upper	9	37.5	27.0	21.2	0	0.0	11.3	21.2
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(62)</b>				<b>(NA)</b>			
Low	0	0.0	1.0	1.5	NA	NA	NA	NA
Moderate	15	24.2	14.2	12.2	NA	NA	NA	NA
Middle	34	54.8	58.8	65.1	NA	NA	NA	NA
Upper	13	21.0	26.0	21.2	NA	NA	NA	NA
<i>Borrower</i>	<b>(44)</b>				<b>(NA)</b>			
Low	4	9.1	11.9	20.8	NA	NA	NA	NA
Moderate	13	29.5	25.1	17.5	NA	NA	NA	NA
Middle	9	20.5	25.0	21.6	NA	NA	NA	NA
Upper	18	40.9	38.0	40.0	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(44)</b>				<b>(0)</b>			
Low	0	0.0	1.3	1.3	0	0.0	0.0	0.3
Moderate	6	13.6	21.3	20.2	0	0.0	0.0	4.1
Middle	30	68.2	53.4	56.4	0	0.0	92.5	80.9
Upper	8	18.2	24.0	22.1	0	0.0	7.5	14.7
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	22	50.0	50.2	91.7	0	0.0	63.9	98.5

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

HMDA borrower distribution performance is considered good during 2019 and adequate during 2018. Alternatively, small business borrower distribution performance is adequate during 2019 and good during 2018. HMDA geographic distribution performance is excellent during 2019, but was poor during 2018. Small business performance is adequate in 2019 and poor in 2018. No community development loans were originated in the assessment area. The bank's lending performance in this assessment area is below the performance reflected in the Commonwealth of Virginia rating.

### **INVESTMENT TEST**

Qualified investments total \$489,541 within this assessment area. An investment of \$432,937 through the bank's \$25.8 million investment in VCDC Housing Equity Funds is specifically allocated to this assessment area to assist affordable housing initiatives. In addition, \$56,604 of the bank's \$500,000 investment in the CCB certificate of deposit is allocated within this assessment area, which provides loans and investments for affordable housing and economic development projects. Qualified charitable donations totaling \$4,500 were made within the assessment area. Overall, investment performance is consistent with the statewide rating.

### **SERVICE TEST**

AUB operates four branch offices within the assessment area, one (25%) of which is located within a moderate-income census tract. No branch offices have been opened or closed since the previous evaluation. Banking services offered within this assessment area are substantially similar to those offered within other assessment areas the bank serves. Overall, service performance is consistent with the statewide rating.

**Roanoke, VA MSA Assessment Area**

The Roanoke, VA MSA assessment area includes all of Botetourt, Craig, Franklin, and Roanoke Counties, Virginia, along with the cities of Roanoke and Salem, Virginia. This market accounts for 5.9% of the institution’s lending volume by number and 4.2% by dollar volume, while accounting for 5.4% of branches and 3.2% of deposit volume.

**Performance Test Data for the Roanoke, VA MSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Roanoke, VA MSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(62)</b>				<b>(17)</b>			
Low	1	1.6	0.8	1.4	0	0.0	1.0	1.4
Moderate	4	6.5	14.6	18.4	9	52.9	12.7	18.4
Middle	29	46.8	49.1	47.5	7	41.2	42.7	47.5
Upper	28	45.2	35.5	32.7	1	5.9	43.6	32.7
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(38)</b>				<b>(1)</b>			
Low	0	0.0	0.6	1.4	0	0.0	13.2	1.4
Moderate	16	42.1	14.2	18.4	0	0.0	13.2	18.4
Middle	16	42.1	46.6	47.5	1	100.0	56.6	47.5
Upper	6	15.8	38.6	32.7	0	0.0	17.0	32.7
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(118)</b>				<b>(NA)</b>			
Low	1	0.8	0.9	1.4	NA	NA	NA	NA
Moderate	29	24.6	14.3	18.4	NA	NA	NA	NA
Middle	53	44.9	47.9	47.5	NA	NA	NA	NA
Upper	35	29.7	37.0	32.7	NA	NA	NA	NA
<i>Borrower</i>	<b>(105)</b>				<b>(NA)</b>			
Low	24	22.9	11.7	19.9	NA	NA	NA	NA
Moderate	28	26.7	24.6	17.5	NA	NA	NA	NA
Middle	23	21.9	26.2	22.4	NA	NA	NA	NA
Upper	30	28.6	37.5	40.2	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(59)</b>				<b>(0)</b>			
Low	5	8.5	3.6	2.8	0	0.0	0.9	0.6
Moderate	11	18.6	16.2	16.1	0	0.0	30.1	26.2
Middle	33	55.9	49.6	50.2	0	0.0	51.3	44.4
Upper	10	16.9	30.5	31.0	0	0.0	17.7	28.7
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	35	59.3	48.8	91.3	0	0.0	51.3	96.0

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

HMDA geographic distribution performance is excellent in 2019 and in 2018. Small business performance is excellent during 2019, but is poor in 2018. HMDA borrower distribution performance is good during both years, while small business borrower distribution performance is good during 2019 and adequate during 2018. The bank originated five loans totaling \$8.3 million as a part of the PPP. The bank's lending performance in this assessment area is consistent with the performance reflected in the Commonwealth of Virginia rating.

### **INVESTMENT TEST**

Qualified investments total \$53,482 within this assessment area. An investment of \$10,243 through AUB's \$25.8 million investment in VCDC Housing Equity Funds is specifically allocated to this assessment area to assist affordable housing projects. In addition, \$43,239 of the bank's \$500,000 investment in the CCB certificate of deposit is allocated within this assessment area, which provides loans and investments for affordable housing and economic development initiatives. Qualified charitable donations totaling \$13,350 were made within the assessment area. Overall, investment performance is consistent with the statewide rating.

### **SERVICE TEST**

AUB operates seven branch offices within the assessment area, two (28.6%) of which are located within moderate-income census tracts. One branch office, located in an upper-income tract, has been closed and one branch has been opened in a middle-income census tract since the previous evaluation. Banking services offered within this assessment area are substantially similar to those offered within other assessment areas the bank serves. An employee provided technical expertise at a board meeting for Junior Achievement of Southwest Virginia. Overall, service performance is consistent with the statewide rating.



**Covington-Buena Vista, VA NonMSA Assessment Area**

This assessment area consists of Alleghany and Rockbridge Counties, Virginia, along with the cities of Buena Vista, Covington, and Lexington, Virginia, none of which contain low-income census tracts. In addition, one middle-income census tract was deemed to be distressed due to poverty. The Covington-Buena Vista, VA NonMSA assessment area accounts for only 1.1% of the institution’s lending volume by number and .5% by dollar volume, while accounting for 1.6% of branches and .9% of deposit volume.

**Performance Test Data for the Covington-Buena Vista, VA NonMSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Covington-Buena Vista, VA NonMSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	(2)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	50.0	19.5	15.3	0	0.0	19.2	15.3
Middle	0	0.0	56.1	59.0	0	0.0	67.3	59.0
Upper	1	50.0	24.4	25.7	0	0.0	13.5	25.7
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	(3)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	8.1	15.3	0	0.0	0.0	15.3
Middle	2	66.7	65.1	59.0	0	0.0	100.0	59.0
Upper	1	33.3	26.8	25.7	0	0.0	0.0	25.7
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	(5)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	20.0	15.9	15.3	NA	NA	NA	NA
Middle	2	40.0	59.4	59.0	NA	NA	NA	NA
Upper	2	40.0	24.7	25.7	NA	NA	NA	NA
<i>Borrower</i>	(4)				(NA)			
Low	0	0.0	5.6	20.3	NA	NA	NA	NA
Moderate	2	50.0	20.3	17.8	NA	NA	NA	NA
Middle	0	0.0	28.4	18.7	NA	NA	NA	NA
Upper	2	50.0	45.7	43.1	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	(7)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	28.6	13.2	13.3	0	0.0	0.0	2.4
Middle	4	57.1	60.6	65.4	0	0.0	86.7	60.2
Upper	1	14.3	26.2	21.3	0	0.0	13.3	37.4
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	7	100.0	46.2	92.2	0	0.0	70.0	98.4

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

HMDA borrower distribution performance is considered excellent during both years. Small business borrower distribution performance is also excellent during both years. HMDA geographic distribution performance is excellent during 2019 and good in 2018. Small business performance is excellent in 2019, but is very poor during 2018. The bank originated one loan totaling \$2.9 million as a part of the PPP within this assessment area. The bank's lending performance in this assessment area is consistent with the performance reflected in the Commonwealth of Virginia rating.

### **INVESTMENT TEST**

Qualified investments total \$160,501, all of which are allocated from the bank's \$25.8 million investment in VCDC Housing Equity Funds which assists in providing affordable housing. Overall, investment performance is below that of the statewide rating.

### **SERVICE TEST**

AUB operates two branch offices within the assessment area, both of which are located within middle-income census tracts. One branch office, located in a moderate-income tract, has been closed since the previous evaluation. Banking services offered within this assessment area are substantially similar to those offered within other assessment areas the bank serves. Overall, service performance is consistent with the statewide rating.

**Emporia, VA NonMSA Assessment Area**

The Emporia, VA NonMSA assessment area includes all of Emporia City and Greensville County, Virginia, neither of which contain low-income census tracts. In addition, two middle-income census tracts were deemed to be distressed, due to poverty, within the assessment area. This market accounts for .1% of the institution’s lending volume by number and .1% by dollar volume, while accounting for .8% of branches and .5% of deposit volume.

**Performance Test Data for the Emporia, VA NonMSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Emporia, VA NonMSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	(0)				(1)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	36.8	44.9	0	0.0	8.3	44.9
Middle	0	0.0	63.2	55.1	1	100.0	91.7	55.1
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	(1)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	100.0	36.5	44.9	0	0.0	33.3	44.9
Middle	0	0.0	63.5	55.1	0	0.0	66.7	55.1
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	(2)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	50.0	34.8	44.9	NA	NA	NA	NA
Middle	1	50.0	65.2	55.1	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Borrower</i>	(2)				(NA)			
Low	0	0.0	8.8	31.7	NA	NA	NA	NA
Moderate	0	0.0	22.6	15.9	NA	NA	NA	NA
Middle	0	0.0	25.5	20.3	NA	NA	NA	NA
Upper	2	100.0	43.1	32.1	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	(0)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	47.2	46.6	0	0.0	45.0	46.9
Middle	0	0.0	52.8	53.4	0	0.0	55.0	53.1
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	0	0.0	59.5	92.8	0	0.0	80.0	100.0

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

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

*NA represents no activity in the income category*

HMDA geographic distribution performance is good in 2019 but is very poor in 2018. Small business performance is very poor during 2019 and is adequate in 2018. HMDA borrower distribution performance is poor during both years, while small business borrower distribution performance is very poor during 2019 and poor in 2018. No community development loans were made in the assessment area during the evaluation period. The bank's lending performance in this assessment area is below the performance reflected in the Commonwealth of Virginia rating.

### **INVESTMENT TEST**

No qualified investments were specifically allocated to this assessment area, although qualified investments have benefited statewide and regional areas. Overall, the investment performance in this assessment area was below that of the statewide rating.

### **SERVICE TEST**

AUB operates one branch office within the assessment area, which is located within a middle-income census tract. No branch offices have been opened or closed since the previous evaluation. Banking services offered within this assessment area are substantially similar to those offered within other assessment areas the bank serves. Overall, service performance is consistent with the statewide rating.

**Essex-Northampton, VA NonMSA Assessment Area**

This assessment area includes all of Accomack, Caroline, Essex, King George, Lancaster, Middlesex, Northampton, Northumberland, Richmond, and Westmoreland Counties, Virginia, none of which contain low-income census tracts. As of 2019 data, the assessment area also includes seven middle-income census tracts that were deemed to be distressed due to population loss, or underserved. As previously mentioned, Caroline County, Virginia was relocated from the Richmond, VA assessment area to the bank's Essex-Northampton, VA NonMSA assessment area as a part of the OMB's revised delineations. The Essex-Northampton, VA NonMSA assessment area accounts for 9.3% of the institution's lending volume by number and 4.9% by dollar volume, while accounting for 10.8% of branches and 8.9% of deposit volume.

Performance Test Data for the Essex-Northampton, VA NonMSA Assessment Area

LENDING TEST

Limited Review Lending Table

Essex-Northampton, VA NonMSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase				Home Improvement			
<i>Geographic</i>	(30)				(44)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	1.2	3.0	0	0.0	1.6	3.0
Middle	14	46.7	36.1	44.3	24	54.5	43.6	44.3
Upper	16	53.3	62.7	52.8	20	45.5	54.7	52.8
	Refinance				Multi-Family			
<i>Geographic</i>	(51)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	1.1	3.0	0	0.0	10.0	3.0
Middle	29	56.9	35.2	44.3	0	0.0	30.0	44.3
Upper	22	43.1	63.8	52.8	0	0.0	60.0	52.8
	HMDA Totals				Consumer			
<i>Geographic</i>	(125)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	1.2	3.0	NA	NA	NA	NA
Middle	67	53.6	36.1	44.3	NA	NA	NA	NA
Upper	58	46.4	62.7	52.8	NA	NA	NA	NA
<i>Borrower</i>	(109)				(NA)			
Low	9	8.3	3.9	15.6	NA	NA	NA	NA
Moderate	17	15.6	12.1	15.7	NA	NA	NA	NA
Middle	32	29.4	22.3	18.1	NA	NA	NA	NA
Upper	51	46.8	61.7	50.6	NA	NA	NA	NA
	Small Business				Small Farm			
<i>Geographic</i>	(158)				(41)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	0.6	2.1	1.8	0	0.0	2.1	2.1
Middle	99	62.7	47.9	42.6	24	58.5	58.5	53.8
Upper	58	36.7	50.0	55.5	17	41.5	39.3	44.1
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	81	51.3	45.8	92.6	27	65.9	44.0	96.2

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

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

NA represents no activity in the income category

HMDA borrower distribution performance is considered excellent during both years. Small business borrower distribution performance is good during 2019 and adequate during 2018. HMDA geographic distribution performance is poor during 2019, but is excellent during 2018, while small business performance is poor during both years. Three community development loans totaling \$5.9 million were originated in the area. Two loans were made to organizations providing social services to low- and moderate-income residents, while one was made to an organization assisting in the revitalization/stabilization of a local area. The bank's lending performance in this assessment area is consistent with the performance reflected in the Commonwealth of Virginia rating.

## INVESTMENT TEST

Qualified investments total \$1.4 million and includes \$849,930 allocated from the \$25.8 million VCDC Housing Equity Funds within this assessment area which assists in providing affordable housing. In addition, \$8,648 of the bank's \$500,000 investment in the CCB certificate of deposit is allocated within this assessment area, which provides loans and investments for affordable housing and economic development initiatives. A \$574,376 portion of the bank's \$3.5 million qualified CRA fund is allocated to this assessment area, which promotes community development initiatives. Charitable donations totaling \$6,250 were also made in this market. Overall, this level of investments is consistent with the statewide rating.

## SERVICE TEST

The bank operates 14 branch offices within the assessment area, none of which are located within a moderate-income census tract. Two branch offices have been closed since the previous evaluation, neither of which were located in a moderate-income tract. Banking services offered within this assessment area are similar to those offered within other communities the bank serves. AUB provided financial literacy classes to one middle school in the assessment area where the majority of students come from low- or moderate-income families. In addition, a bank officer serves on the board of Eastern Shore Rural Health, which provides affordable healthcare services to low- and moderate-income residents. Overall, service performance is consistent with the statewide rating.

**Orange, VA NonMSA Assessment Area**

The Orange, VA NonMSA includes all of Louisa and Orange Counties Counties, Virginia, neither of which contain low-income census tracts. As previously mentioned, Madison County was relocated to the bank’s Washington-Baltimore-Alexandria, VA assessment area as a part of the OMB’s revised delineation. The Orange, VA NonMSA assessment area accounts for 2.5% of the institution’s lending volume by number and 1.6% by dollar volume, while accounting for 1.6% of branches and 1% of deposit volume.

**Performance Test Data for the Orange, VA NonMSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Orange, VA NonMSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(15)</b>				<b>(9)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	6.7	4.4	4.6	1	11.1	4.1	4.6
Middle	0	0.0	13.9	15.9	1	11.1	16.2	15.9
Upper	14	93.3	81.7	79.5	7	77.8	79.7	79.5
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(19)</b>				<b>(0)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	5.3	3.2	4.6	0	0.0	0.0	4.6
Middle	2	10.5	14.0	15.9	0	0.0	0.0	15.9
Upper	16	84.2	82.8	79.5	0	0.0	100.0	79.5
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(43)</b>				<b>(NA)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	7.0	4.0	4.6	NA	NA	NA	NA
Middle	3	7.0	14.0	15.9	NA	NA	NA	NA
Upper	37	86.0	82.0	79.5	NA	NA	NA	NA
<i>Borrower</i>	<b>(39)</b>				<b>(NA)</b>			
Low	6	15.4	2.7	12.4	NA	NA	NA	NA
Moderate	3	7.7	10.0	12.8	NA	NA	NA	NA
Middle	7	17.9	26.1	17.1	NA	NA	NA	NA
Upper	23	59.0	61.2	57.7	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(10)</b>				<b>(0)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	7.1	10.7	0	0.0	9.8	8.7
Middle	1	10.0	17.4	16.8	0	0.0	26.2	15.0
Upper	9	90.0	75.6	72.5	0	0.0	63.9	76.3
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	6	60.0	50.2	94.2	0	0.0	52.5	98.3

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



HMDA geographic distribution performance is excellent during both years, while small business performance is very poor during 2019, but is excellent during 2018. HMDA borrower distribution performance is excellent during 2019 and good during 2018. Small business borrower distribution performance is good during 2019 and adequate in 2018. The bank originated one loan totaling \$1.8 million as a part of the PPP within this assessment area. The bank's lending performance in this assessment area is consistent with the performance reflected in the Commonwealth of Virginia rating.

### **INVESTMENT TEST**

Qualified investments totaling \$498,553 were made within the assessment area, all of which is specifically allocated from the bank's \$3.5 million qualified CRA fund which promotes various qualified community development projects. Qualified charitable donations totaling \$500 were made within the assessment area. Overall, investment performance is consistent with the statewide rating.

### **SERVICE TEST**

AUB operates two branch offices within the assessment area, one (50%) of which is located within the moderate-income census tract. No branch offices have been opened or closed since the previous evaluation. Banking services offered within this assessment area are substantially similar to those offered within other assessment areas the bank serves. An employee served on the board for the Madison Free Clinic, prior to the change in assessment area delineation, which provides healthcare to uninsured, low- and moderate-income residents. Overall, service performance is consistent with the statewide rating.

**Wythe, VA NonMSA Assessment Area**

The Wythe, VA NonMSA assessment area includes all of Carroll, Floyd, and Wythe Counties, Virginia, none of which contain low-income census tracts. As previously stated, Floyd County, Virginia moved from the Blacksburg-Christiansburg-Radford, VA MSA assessment area to the bank’s Wythe, VA NonMSA due to the OMB’s revised delineations. The Wythe, VA NonMSA assessment area accounts for 1.1% of the institution’s lending volume by number and .5% by dollar volume, while accounting for 1.6% of branches and .9% of deposit volume.

**Performance Test Data for the Wythe, VA NonMSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Wythe, VA NonMSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(9)</b>				<b>(12)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	6.0	6.3	0	0.0	1.8	6.3
Middle	9	100.0	94.0	93.7	12	100.0	98.2	93.7
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(18)</b>				<b>(0)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	4.6	6.3	0	0.0	0.0	6.3
Middle	18	100.0	95.4	93.7	0	0.0	100.0	93.7
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(39)</b>				<b>(NA)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	5.2	6.3	NA	NA	NA	NA
Middle	39	100.0	94.8	93.7	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Borrower</i>	<b>(37)</b>				<b>(NA)</b>			
Low	5	13.5	9.3	20.0	NA	NA	NA	NA
Moderate	8	21.6	19.7	18.8	NA	NA	NA	NA
Middle	10	27.0	28.9	22.0	NA	NA	NA	NA
Upper	14	37.8	42.0	39.2	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(11)</b>				<b>(0)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	5.0	4.4	0	0.0	3.5	3.8
Middle	11	100.0	95.0	95.6	0	0.0	96.5	96.2
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	3	27.3	50.2	93.5	0	0.0	69.0	100.0

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

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

NA represents no activity in the income category

HMDA borrower distribution performance is considered good during 2019 and adequate during 2018. Small business borrower distribution performance is poor during 2019, but is excellent during 2018. HMDA geographic distribution performance is very poor during both years, while small business performance is also considered very poor during both years. The bank originated two loans totaling \$2.1 million as a part of the PPP within this assessment area. The bank's lending performance in this assessment area is below the performance reflected in the Commonwealth of Virginia rating.

### **INVESTMENT TEST**

Qualified investments totaling \$366,375 were made within the assessment area, all of which is specifically allocated from the \$25.8 million VCDC Housing Equity Funds which assists in providing affordable housing. Overall, investment performance is below that of the statewide rating.

### **SERVICE TEST**

AUB operates two branch offices within the assessment area, neither of which are located within the moderate-income census tract. No branch offices have been opened or closed since the previous evaluation. Banking services offered within this assessment area are substantially similar to those offered within other assessment areas the bank serves. Overall, service performance is consistent with the statewide rating.

**Chowan, NC NonMSA Assessment Area**

The Chowan, NC NonMSA assessment area includes all of Chowan, Tyrrell, and Washington Counties, North Carolina, none of which contain low-income census tracts. In addition, three middle-income census tracts were deemed to be distressed, due to both poverty and unemployment, within the assessment area. As previously mentioned, Tyrrell County, North Carolina was relocated from the Virginia Beach-Norfolk, VA-NC assessment area to the bank’s Chowan, NC NonMSA assessment area as a part of the OMB’s revised delineations. The Chowan, NC NonMSA assessment area market accounts for .2% of the institution’s lending volume by number and .2% by dollar volume, while accounting for .8% of branches and .4% of deposit volume.

**Performance Test Data for the Chowan, NC NonMSA Assessment Area**

**LENDING TEST**

**Limited Review Lending Table**

Chowan, NC NonMSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	(1)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	34.1	24.6	0	0.0	43.9	24.6
Middle	1	100.0	65.9	75.4	0	0.0	56.1	75.4
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	(0)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	29.2	24.6	0	0.0	50.0	24.6
Middle	0	0.0	70.8	75.4	0	0.0	50.0	75.4
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	(1)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	33.5	24.6	NA	NA	NA	NA
Middle	1	100.0	66.5	75.4	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Borrower</i>	(1)				(NA)			
Low	0	0.0	2.9	24.4	NA	NA	NA	NA
Moderate	0	0.0	15.2	18.9	NA	NA	NA	NA
Middle	0	0.0	20.9	17.1	NA	NA	NA	NA
Upper	1	100.0	60.9	39.5	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	(7)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	28.6	34.8	36.4	0	0.0	12.5	20.3
Middle	5	71.4	65.2	63.6	0	0.0	87.5	79.7
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	4	57.1	44.8	91.1	0	0.0	42.4	92.3

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

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

*NA represents no activity in the income category*

HMDA geographic distribution performance is poor in 2019 and good in 2018. Small business performance is adequate during 2019, but is excellent during 2018. HMDA borrower distribution is poor in 2019 and excellent in 2018, while small business borrower distribution performance is good during 2019 and adequate during 2018. No community development loans were extended within the assessment area. The bank's lending performance in this assessment area exceeds the performance reflected in the State of North Carolina rating.

### **INVESTMENT TEST**

Qualified investments totaling \$50,901 were made within the assessment area, all of which is specifically allocated from the bank's \$3.5 million qualified CRA fund which promotes community development initiatives. Overall, investment performance is consistent with the statewide rating.

### **SERVICE TEST**

AUB operates one branch office within the assessment area, which is located within a moderate-income census tract. One branch office, located in a middle-income tract, has been closed since the previous evaluation. Banking services offered within this assessment area are substantially similar to those offered within other assessment areas the bank serves. Overall, service performance is consistent with the statewide rating.

**CRA APPENDIX D**

**LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA**

The following table includes the distribution of branch offices, along with loan and deposit volume, in each assessment area. Branch information is current as of the evaluation date, and loan volume includes all reported HMDA, small business, and small farm loans considered in the evaluation. Deposit volume includes all bank deposits and is current as of June 30, 2019.

Assessment Area	HMDA/CRA Loan Volume				Branches		Deposit Volume	
	#	%	\$ 000s	%	#	%	\$ 000s	%
<b>Multi-State MSA</b>								
Virginia Beach-Norfolk, VA-NC	1358	14.9%	\$341,231	18.5%	19	14.7%	\$1,139,015	9.1%
<i>Multi-State Subtotal</i>	<i>1,358</i>	<i>14.9%</i>	<i>341,231</i>	<i>18.5%</i>	<i>19</i>	<i>14.7%</i>	<i>\$1,139,015</i>	<i>9.1%</i>
<b>Virginia Assessment Areas</b>								
Washington-Baltimore-Alexandria, VA	1945	21.3%	\$538,959	29.3%	28	21.7%	\$4,039,340	32.2%
Richmond, VA	2183	24%	\$460,182	25%	25	19.4%	\$3,229,946	25.8%
Blacksburg-Christiansburg, VA MSA	394	4.3%	\$42,834	2.3%	7	5.4%	\$705,226	5.6%
Charlottesville, VA MSA	422	4.6%	\$86,927	4.7%	6	4.6%	\$562,374	4.5%
Harrisonburg-Staunton, VA CSA	576	6.3%	\$79,124	4.3%	8	6.2%	\$525,779	4.2%
Lynchburg, VA MSA	286	3.1%	\$40,761	2.2%	4	3.1%	\$212,614	1.7%
Roanoke, VA MSA	534	5.9%	\$78,089	4.2%	7	5.4%	\$401,960	3.2%
Covington-Buena Vista, VA NonMSA	98	1.1%	\$8,934	0.5%	2	1.6%	\$117,764	0.9%
Emporia, VA NonMSA	8	0.1%	\$2,238	0.1%	1	0.8%	\$64,250	0.5%
Essex-Northampton, VA NonMSA	844	9.3%	\$90,061	4.9%	14	10.8%	\$1,115,475	8.9%
Orange, VA NonMSA	230	2.5%	\$28,640	1.6%	2	1.6%	\$127,830	1%
Wythe, VA NonMSA	97	1.1%	\$9,529	0.5%	2	1.6%	\$106,994	0.9%
<i>Virginia Subtotal</i>	<i>7,617</i>	<i>83.6%</i>	<i>1,466,278</i>	<i>79.6%</i>	<i>106</i>	<i>82.2%</i>	<i>\$11,209,552</i>	<i>89.5%</i>
<b>North Carolina Assessment Areas</b>								
Raleigh-Cary, NC	67	0.7%	\$21,753	1.2%	1	0.8%	\$41,418	0.3%
Chowan, NC NonMSA	22	0.2%	\$2,783	0.2%	1	0.8%	\$49,572	0.4%
<i>North Carolina Subtotal</i>	<i>89</i>	<i>1.0%</i>	<i>\$24,536</i>	<i>1.3%</i>	<i>2</i>	<i>1.6%</i>	<i>\$90,990</i>	<i>0.7%</i>
<b>Maryland Assessment Area</b>								
Salisbury, MD	48	0.5%	\$10,399	0.6%	2	1.6%	\$91,992	0.7%
<b>Total</b>	<b>9,112</b>	<b>100%</b>	<b>1,842,444</b>	<b>100%</b>	<b>129</b>	<b>100%</b>	<b>\$12,531,549</b>	<b>100%</b>

**CRA APPENDIX E**

**ASSESSMENT AREA COMPOSITION**

During the review period, the U.S. Office of Management and Budget released revised delineations of Metropolitan Statistical Areas /Metropolitan Divisions which was effective for data collected as of January 1, 2019, according to the Federal Financial Institutions Examination Council. The revised delineations affected the composition of several of the bank’s assessment areas between 2018 and 2019. As such, the tables below reflect the bank’s assessment area composition in both 2018 and 2019.

<b>Multi-state Metropolitan Assessment Area</b>					
Virginia Beach-Norfolk, VA-NC					
<b>2018</b>			<b>2019</b>		
State	County	Tracts	State	County	Tracts
VA	Chesapeake City	All	VA	Chesapeake City	All
VA	Gloucester County	All	VA	Gloucester County	All
VA	Hampton City	All	VA	Hampton City	All
VA	James City County	All	VA	James City County	All
VA	Mathews County	All	VA	Mathews County	All
VA	Newport News City	All	VA	Newport News City	All
VA	Norfolk City	All	VA	Norfolk City	All
VA	Poquoson City	All	VA	Poquoson City	All
VA	Portsmouth City	All	VA	Portsmouth City	All
VA	Suffolk City	All	VA	Suffolk City	All
VA	Virginia Beach City	All	VA	Virginia Beach City	All
VA	Williamsburg City	All	VA	Williamsburg City	All
VA	York County	All	VA	York County	All
NC	Camden County	All	NC	Camden County	All
NC	Currituck County	All	NC	Currituck County	All
NC	Dare County	All	NC	Dare County	All
NC	Gates County	All	NC	Gates County	All
NC	Pasquotank County	All	NC	Pasquotank County	All
NC	Perquimans County	All	NC	Perquimans County	All
NC	Tyrrell County	All			

<b>Virginia Metropolitan Assessment Areas</b>			
Blacksburg-Christiansburg-Radford, VA MSA			
2018		2019	
County	Tracts	County	Tracts
Floyd County	All	Giles County	All
Giles County	All	Montgomery County	All
Montgomery County	All	Pulaski County	All
Pulaski County	All	Radford City	All
Radford City	All		
Charlottesville, VA			
2018		2019	
County	Tracts	County	Tracts
Albemarle County	All	Albemarle County	All
Charlottesville City	All	Charlottesville City	All
Fluvanna County	All	Fluvanna County	All
Greene County	All	Greene County	All
Nelson County	All	Nelson County	All
<b>Harrisonburg-Staunton-Waynesboro, VA CSA</b>			
2018		2019	
County	Tracts	County	Tracts
Augusta County	All	Augusta County	All
Harrisonburg City	All	Harrisonburg City	All
Rockingham County	All	Rockingham County	All
Staunton County	All	Staunton City	All
Waynesboro City	All	Waynesboro City	All
Lynchburg, VA MSA			
2018		2019	
County	Tracts	County	Tracts
Amherst County	All	Amherst County	All
Appomattox County	All	Appomattox County	All
Bedford County	All	Bedford County	All
Campbell County	All	Campbell County	All
Lynchburg City	All	Lynchburg City	All



<b>Virginia Metropolitan Assessment Areas</b>			
Richmond, VA			
2018		2019	
County	Tracts	County	Tracts
Caroline County	All	Charles City County	All
Charles City County	All	Chesterfield County	All
Chesterfield County	All	Colonial Heights City	All
Colonial Heights City	All	Goochland County	All
Goochland County	All	Hanover County	All
Hanover County	All	Henrico County	All
Henrico County	All	Hopewell City	All
Hopewell City	All	King and Queen County	All
King and Queen County	All	King William County	All
King William County	All	New Kent County	All
New Kent County	All	Petersburg City	All
Petersburg City	All	Richmond City	All
Richmond City	All		
Roanoke, VA MSA			
2018		2019	
County	Tracts	County	Tracts
Botetourt County	All	Botetourt County	All
Craig County	All	Craig County	All
Franklin County	All	Franklin County	All
Roanoke City	All	Roanoke City	All
Roanoke County	All	Roanoke County	All
Salem City	All	Salem City	All

<b>Virginia Metropolitan Assessment Areas</b>			
Washington-Baltimore-Alexandria, VA			
2018		2019	
County	Tracts	County	Tracts
Alexandria City	All	Alexandria City	All
Arlington County	All	Arlington County	All
Culpeper County	All	Culpeper County	All
Fairfax City	All	Fairfax City	All
Fairfax County	All	Fairfax County	All
Falls Church City	All	Falls Church City	All
Fauquier County	All	Fauquier County	All
Frederick County	All	Frederick County	All
Fredericksburg City	All	Fredericksburg City	All
Loudoun County	All	Loudoun County	All
Manassas City	All	Madison County	All
Manassas Park City	All	Manassas City	All
Prince William County	All	Manassas Park City	All
Rappahannock County	All	Prince William County	All
Spotsylvania County	All	Rappahannock County	All
Stafford County	All	Spotsylvania County	All
Warren County	All	Stafford County	All
Winchester City	All	Warren County	All
		Winchester City	All

<b>Virginia Nonmetropolitan Assessment Areas</b>			
Covington-Buena Vista, VA NonMSA			
2018		2019	
County	Tracts	County	Tracts
Alleghany County	All	Alleghany County	All
Buena Vista City	All	Buena Vista City	All
Covington City	All	Covington City	All
Lexington City	All	Lexington City	All
Rockbridge County	All	Rockbridge County	All
Emporia, VA NonMSA			
2018		2019	
County	Tracts	County	Tracts
Emporia City	All	Emporia City	All
Greensville County	All	Greensville County	All
Essex-Northampton, VA NonMSA			
2018		2019	
County	Tracts	County	Tracts
Accomack County	All	Accomack County	All
Essex County	All	Caroline County	All
King George County	All	Essex County	All
Lancaster County	All	King George County	All
Middlesex County	All	Lancaster County	All
Northampton County	All	Middlesex County	All
Northumberland County	All	Northampton County	All
Richmond County	All	Northumberland County	All
Westmoreland County	All	Richmond County	All
		Westmoreland County	All
Orange, VA NonMSA			
2018		2019	
County	Tracts	County	Tracts
Louisa County	All	Louisa County	All
Madison County	All	Orange County	All
Orange County	All		
Wythe, VA NonMSA			
2018		2019	
County	Tracts	County	Tracts
Carroll County	All	Carroll County	All
Wythe County	All	Floyd County	All
		Wythe County	All

<b>North Carolina Metropolitan Assessment Area</b>			
Raleigh, NC			
2018		2019	
County	Tracts	County	Tracts
Wake County	All	Wake County	All

<b>North Carolina Nonmetropolitan Assessment Areas</b>			
Chowan, NC NonMSA			
2018		2019	
County	Tracts	County	Tracts
Chowan County	All	Chowan County	All
Washington County	All	Tyrrell County	All
		Washington County	All

<b>Maryland Metropolitan Assessment Area</b>			
Salisbury, MD			
2018		2019	
County	Tracts	County	Tracts
Somerset County	All	Somerset County	All
Wicomico County	All	Wicomico County	All
Worcester County	All	Worcester County	All

CRA APPENDIX F

BRANCH OPENINGS AND CLOSINGS

The bank opened one branch office while closing 31 branch offices in the normal course of business during the evaluation period as outlined below. A second table reflects the 11 branches obtained as a result of the ANC acquisition.

Assessment Area	Date	Branch Name	Address	City	State	Zip	Type	2020 Income Level
Charlottesville, VA MSA	8/10/2018	Charlottesville	1330 Parham Cir	Charlottesville	VA	22902	Closed	Upper
Covington-Buena Vista, VA NonMSA	8/10/2018	Buena Vista	2101 Forest Ave	Buena Vista	VA	24416	Closed	Moderate
Essex-Northampton, VA NonMSA	8/10/2018	White Stone	485 Chesapeake Dr	White Stone	VA	22578	Closed	Upper
Richmond, VA	8/10/2018	Richmond	5950 Brook Rd	Richmond	VA	23227	Closed	Low
Roanoke, VA MSA	8/10/2018	Roanoke	2101 Electric Rd SW	Roanoke	VA	24018	Closed	Upper
Virginia Beach-Norfolk, VA-NC	8/10/2018	Virginia Beach	4505 Columbus St	Virginia Beach	VA	23462	Closed	Middle
Washington-Baltimore-Alexandria, VA	8/10/2018	Winchester	1095 Milwood Pike	Winchester	VA	22602	Closed	Middle
Richmond, VA	11/13/2018	Chesterfield	6551 Centralia Rd	Chesterfield	VA	23832	Closed	Middle
	11/13/2018	Ironbridge	10620 Iron Bridge Rd	Chester	VA	23831	Open	Upper
	5/17/2019	Forest Ave	1600 Forest Ave	Hennico	VA	23229	Closed	Middle
Chowan, NC NonMSA	9/13/2019	Plymouth	433 US Hwy 64	Plymouth	NC	27962	Closed	Middle
Virginia Beach-Norfolk, VA-NC	9/13/2019	Chesapeake	712 Liberty St	Chesapeake	VA	23324	Closed	Moderate
Blacksburg-Christiansburg, VA MSA	2/27/2020	Christiansburg	1675 Roanoke St	Christiansburg	VA	24073	Closed	Middle
Charlottesville, VA MSA	2/27/2020	Charlottesville	3290 Worth Crossing	Charlottesville	VA	22911	Closed	Upper
Essex-Northampton, VA NonMSA	2/27/2020	Tappahannock	1660 Tappahannock Blvd	Tappahannock	VA	22560	Closed	Middle
Harrisonburg-Staunton, VA CSA	2/27/2020	Waynesboro	251 N Poplar Ave	Waynesboro	VA	22980	Closed	Low
	2/27/2020	Staunton	115 Lee Jackson Hwy	Staunton	VA	24401	Closed	Middle
	2/27/2020	Hennico	1773 N Parham Rd	Hennico	VA	23229	Closed	Middle
Richmond, VA	2/27/2020	Richmond	5300 Patterson Ave	Richmond	VA	23226	Closed	Upper
	2/27/2020	Chesapeake	4108 Portsmouth Blvd	Chesapeake	VA	23321	Closed	Middle
	2/27/2020	Elizabeth City	1404 West Ehninghaus St	Elizabeth City	NC	27909	Closed	Middle
Virginia Beach-Norfolk, VA-NC	2/27/2020	Chesapeake	1500 Mount Pleasant Rd	Chesapeake	VA	23322	Closed	Upper
	2/27/2020	Suffolk	2825 Godwin Blvd	Suffolk	VA	23434	Closed	Upper
	2/27/2020	Warrenton	530 Blackwell Rd	Warrenton	VA	20186	Closed	Moderate
Washington-Baltimore-Alexandria, VA	2/27/2020	Falmouth	622 Cambridge St	Fredericksburg	VA	22405	Closed	Middle
	2/27/2020	Fredericksburg	5831 Plank Rd	Fredericksburg	VA	22407	Closed	Middle
	12/29/2020	Dulles	2325 Dulles Comer Blvd	Hemdon	VA	20171	Closed	Middle
	1/27/2021	Culpeper Main	102 S Main St	Culpeper	VA	22701	Closed	Moderate
Richmond, VA	2/15/2021	Pole Green	8300 Bell Creek Rd	Mechanicsville	VA	23116	Closed	Upper
Virginia Beach-Norfolk, VA-NC	2/15/2021	Lynnhaven	641 Lynnhaven Parkway Ste 101	Virginia Beach	VA	23452	Closed	Middle
	2/15/2021	Shore Drive	3001 Shore Dr	Virginia Beach	VA	23451	Closed	Upper
Washington-Baltimore-Alexandria, VA	2/15/2021	Marshall	8331 West Main St	Marshall	VA	20115	Closed	Middle

Branches Acquired via ANC Acquisition								
Assessment Area	Date	Branch Name	Address	City	State	Zip	Type	2020 Income Level
Washington-Baltimore-Alexandria, VA	2/1/2019	Chantilly	4221 Walney Rd Ste 120	Chantilly	VA	20151	Open	Moderate
	2/1/2019	Catoctin Circle	102 Catoctin Cir SE	Leesburg	VA	20175	Open	Moderate
	2/1/2019	Manassas	8525 Rolling Rd Ste 100	Manassas	VA	20110	Open	Moderate
	2/1/2019	Arlington	2300 Wilson Blvd Ste 100	Arlington	VA	22201	Open	Middle
	2/1/2019	Alexandria	2050 Ballenger Ave	Alexandria	VA	22314	Open	Upper
	2/1/2019	Ashburn	43325 Junction Plaza	Ashburn	VA	20147	Open	Upper
	2/1/2019	Fort Evans	538 Fort Evans Rd NE	Leesburg	VA	20176	Open	Upper
	2/1/2019	Gainesville	8190 Stonewall Shops Sq	Gainesville	VA	20155	Open	Upper
	2/1/2019	Purcellville	431 East Main St	Purcellville	VA	20132	Open	Upper
	2/1/2019	Reston	1800 Robert Fulton Dr	Reston	VA	20191	Open	Upper
2/1/2019	Tysons	8221 Old Courthouse Rd Ste 100	Vienna	VA	22182	Open	Upper	

## CRA APPENDIX G

### GLOSSARY

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

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

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

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

Activities that revitalize or stabilize-

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

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

**Full-scope review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

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

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

**Limited-scope review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

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

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

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



**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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