



**PUBLIC DISCLOSURE**

**March 11, 2024**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Bank of Marion**

**Marion, 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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858528

102 West Main Street

Marion, Virginia 24354

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

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**INSTITUTION RATING**

**INSTITUTION'S CRA RATING:** The Bank of Marion is rated "**SATISFACTORY.**"

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

PERFORMANCE LEVELS	<u>The Bank of Marion</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory			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:

- The bank’s lending level in the Commonwealth of Virginia reflects excellent responsiveness to assessment area credit needs, while the lending level in Tennessee is considered adequate. Overall, lending levels are consistent with the bank’s capacity and reflect excellent responsiveness to assessment area credit needs.
- A substantial majority of the institution’s reported Home Mortgage Disclosure Act (HMDA), small business, and small farm loans were originated within the bank’s combined assessment areas.
- The bank’s geographic distribution performance is considered excellent in the Commonwealth of Virginia and poor in Tennessee. The geographic distribution of loans is considered excellent overall driven by the bank’s performance in Virginia.
- The bank’s borrower distribution performance is considered excellent in Virginia and good in Tennessee. Overall, the bank’s borrower distribution performance is considered excellent driven by performance in Virginia.
- The bank exhibits an excellent record of serving the credit needs of low- and moderate-income individuals and geographies as well as small businesses within the communities it serves.

- The bank made a low level of community development loans within its Virginia assessment areas and did not extend any community development loans in Tennessee. Overall, the bank's level of community development lending is low relative to the availability of such opportunities and the bank's overall capacity to extend such loans.
- The bank maintains an adequate level of qualified community development investments and contributions, rarely in a leadership position. The bank makes occasional use of innovative or complex investments to support community development initiatives and exhibits adequate responsiveness to area credit and community development needs through its investment activity.
- Delivery systems and branch locations are accessible to all segments of the bank's Virginia assessment areas, and reasonably accessible in Tennessee. Branch hours and services do not vary in a way that inconveniences low- and moderate-income residents or areas, and the bank has not opened or closed any branches within the Virginia or Tennessee full scope assessment areas.
- The bank provided a relatively high number of community development services in Virginia and a limited level in Tennessee relative to its size, market presence, and capacity. Overall, the level of community development services is considered relatively high driven by performance in the Commonwealth of Virginia.
- There have been no complaints regarding the bank's CRA performance since the previous evaluation.

**INSTITUTION**

**DESCRIPTION OF INSTITUTION**

The Bank of Marion (BOM) is headquartered in Marion, Virginia, and operates 18 branch offices, mostly under different names (e.g. The Bank of Marion, The Bank of Saltville, and Tri-City Community Bank), in southwestern Virginia and northeastern Tennessee. Of the 18 branches, one located in Marion, Virginia operates as a financial services and commercial lending office. BOM is a subsidiary of Southwest Virginia Bankshares, a single-bank holding company, which is also headquartered in Marion, Virginia. Other than its affiliation with the holding company, the bank has no affiliates or subsidiaries. BOM received a Satisfactory rating at its previous CRA evaluation dated October 19, 2020. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As of December 31, 2023, the bank had assets totaling \$554.2 million, of which 63.9% were net loans and 27% were securities. Deposits totaled \$476.6 million for the same time period. Various credit products are available through the institution, including small business, commercial, consumer, and real estate secured loans. Additionally, in April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP) designed as a direct incentive for small businesses, to allow workforces to remain employed, and promote economic stability during the Coronavirus (COVID-19) crisis. This program was utilized by the bank during the last evaluation; however, BOM continued to offer PPP loans during a portion of this evaluation period. From the date of the last evaluation through August 2021, BOM originated 646 PPP loans totaling approximately \$2.3 million.

The composition of the loan portfolio using gross loans, as of December 31, 2023, is represented in the following table:

**Composition of Loan Portfolio**

Loan Type	12/31/2023	
	\$(000s)	%
Secured by 1-4 Family dwellings	238,797	66.8
Multifamily	3,330	0.9
Construction and Development	10,346	2.9
Commercial & Industrial/ NonFarm NonResidential	64,013	17.9
Consumer Loans and Credit Cards	12,529	3.5
Agricultural Loans/ Farmland	21,672	6.1
All Other	6,988	2.0
<b>Total</b>	<b>357,675</b>	<b>100.0</b>

As indicated in the table, BOM is an active residential mortgage and commercial lender. The bank offers other loans, such as consumer and construction loans; however, the volume of such lending is relatively small in comparison to its residential mortgage and commercial lending.

BOM serves four assessment areas within portions of Virginia and Tennessee. The Smyth County, VA NonMSA and the Kingsport-Bristol, VA assessment areas are contiguous areas in southwestern Virginia, while the Blacksburg-Christiansburg, VA assessment area is located slightly further northeast of these two areas but still within the southwestern portion of the Commonwealth. The Johnson City, TN assessment area comprises the portion of northeastern Tennessee located across the state border that is served by the bank. The following table reflects the composition of the bank’s assessment areas.

Assessment Area Name	City/County	State	Census Tracts Included
Smyth County, VA NonMSA	Smyth County	VA	All
	Russell County		
	Wythe County		
Kingsport-Bristol, VA	Washington County	VA	All
	Scott County		
	Bristol City		
Blacksburg-Christiansburg, VA	Radford City	VA	All
Johnson City, TN	Washington County	TN	0601.00-0605.02, 0607.00-0617.02, 0620.00

### SCOPE OF EXAMINATION

BOM is eligible to be evaluated as an intermediate small bank; however, it optionally collects and reports CRA data and elects to be evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC) for large institutions. Consistent with these procedures, HMDA, small business, and small farm lending activity reported by the institution from January 1, 2021 through December 31, 2022 was reviewed. In addition, BOM’s community development loans and services since the prior evaluation (October 19, 2020) were considered in this evaluation. All qualified community development investments made since the previous evaluation, as well as those outstanding as of the date of this evaluation, were also considered.

In determining the availability of community development opportunities in specific assessment areas, the CRA public evaluations of other financial institution’s operating in these areas were reviewed. Additionally, in assessment areas subject to full-scope review, members of the community were contacted to discern information about local economic conditions, local credit needs, performance of local financial institutions, and potential community development opportunities.

Considering relative size as determined by loan activity, proportion of bank deposits, distribution of branch offices, and market population, full-scope evaluation procedures were applied to the following assessment areas:

- Smyth County, VA NonMSA
- Johnson City, TN

BOM primarily operates within the Commonwealth of Virginia and has a comparatively minimal presence in Johnson City, TN; however, the FFIEC procedures requires ratings for each state in which the bank operates branch offices. The bank’s Kingsport-Bristol, VA was subject to the limited review procedures provided for by the FFIEC and a determination was made as to whether performance in this assessment area was consistent with the assigned overall state rating. As previously noted, the bank’s new Blacksburg-Christiansburg, VA assessment area was not reviewed during this evaluation.

**Appendix A** and **Appendix B** include information that summarizes the evaluation’s scope and assigned state ratings.

Due to the bank’s branch locations, an overall rating and ratings for the lending, investment, and service tests are assigned to the institution, the Commonwealth of Virginia, and the State of Tennessee. The state ratings are based on the performance in the assessment areas subject to full-scope review as well as activities that benefit multiple assessment areas or statewide areas. When assigning the overall state ratings, primary consideration is given to the dollar volume each full-scope area contributes to the overall activity considered in the evaluation. In all cases, conclusions also take into consideration relevant performance context factors.

The institution's overall rating and ratings for each test are based on the ratings assigned to the Commonwealth of Virginia and the State of Tennessee, and these ratings are weighed primarily according to bank activity in each state as measured by relative lending volume, amount of deposits, and the number of branches. As such, the bank's performance in the Commonwealth of Virginia drives the institution's overall ratings. According to the evaluation procedures, the lending test performance accounts for half of the overall rating, while the investment and service test are equally weighted and account for the remaining half of the overall rating.

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

The performance evaluation first discusses the bank's overall performance followed by an in-depth analysis of the bank's record of lending, investment, and service activities in each state and specific assessment areas. The bank's overall performance in both Virginia and Tennessee is considered to be Satisfactory.

When evaluating the bank's HMDA performance, relevant area demographic data from the American Community Survey (ACS) is used as a proxy for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. The most recent update occurred during the evaluation period. As such, ACS data from 2015 is used when evaluating 2021 HMDA lending, and ACS data from 2020 is used when evaluating 2022 HMDA lending. Dun & Bradstreet (D&B) business demographic data from 2021 and 2022 is considered when evaluating the bank's small business and small farm lending performance.

Aggregate loan data is also used as a proxy for demand when evaluating the bank's lending performance. Aggregate HMDA loan data includes all activity reported by lenders subject to reporting HMDA data that originated such loans within the bank's assessment areas. Similarly, the aggregate small business and small farm loan data includes all lenders subject to reporting CRA data that originated such loans within the bank's assessment areas.

The geographic and borrower distribution performance of HMDA loans focused on performance for loan categories (e.g. Home Purchase, Home Improvement, Refinancing, and Multi-family) with material loan volume within each assessment area. 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.

## **LENDING TEST**

Overall, the bank's lending test is rated Outstanding based on its lending activity, assessment area concentration, geographic and borrower lending distribution performances, and the level of community development lending. It also reflects greater weight of performance in the Commonwealth of Virginia due to the bank's significantly greater presence in the Smyth County, VA NonMSA assessment area compared to the Johnson City, TN assessment area. With consideration of all relevant performance context factors, conclusions for each component of the lending test is discussed in the following sections.

### **Lending Activity:**

BOM's combined lending activity from 2021 and 2022 based on the bank's loan data reviewed during this evaluation is detailed in the following table.



**Summary of Lending Activity**

Loan Type	#	%	\$(000)	% of \$
Home Improvement	38	1.76	2,224	1.13
Home Purchase	401	18.61	65,326	33.16
Multi-Family Housing	2	0.09	880	0.45
Refinancing	305	14.15	42,498	21.57
Loan Purpose Not Applicable	0	0	0	0
Other Purpose Closed-End	55	2.55	5,454	2.77
Other Purpose LOC	0	0	0	0
<b>Total HMDA related</b>	<b>801</b>	<b>37.17</b>	<b>116,382</b>	<b>59.08</b>
Small Business	801	37.17	61,197	31.07
Small Farm	553	25.66	19,411	9.85
<b>TOTAL LOANS</b>	<b>2,155</b>	<b>100</b>	<b>196,990</b>	<b>100</b>

The bank’s lending levels vary within each assessment area, but overall reflects excellent responsiveness to the credit needs based on the total number and dollar volume of loans analyzed under the Lending Test. Since December 31, 2020, the bank’s assets, net loans, and deposits have increased by 14.4%, 28%, and 12.6%, respectively. Residential mortgage lending, specifically home purchase and refinance lending, is the bank’s primary lending product consisting of 54.7% of lending activity by dollar volume during the evaluation period. Small business lending also comprises a large portion of the bank’s lending activity by dollar volume (31.1%), followed by small farm lending (9.9%).

**Assessment Area Concentration:**

The following table includes all HMDA, small business, and small farm loans reported by the institution from January 1, 2021 through December 31, 2022. The lending distribution inside and outside of the bank’s combined assessment areas is depicted in the following table.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	334	83.3	53,512	81.9	67	16.7	11,814	18.1
Home Improvement	34	89.5	2,068	93.0	4	10.5	156	7.0
Refinancing	256	83.9	34,703	81.7	49	16.1	7,795	18.3
Multi-Family Housing	2	100.0	880	100.0	0	0.0	0	0.0
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	47	85.5	4,607	84.5	8	14.5	847	15.5
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total HMDA related</b>	<b>673</b>	<b>84.0</b>	<b>95,770</b>	<b>82.3</b>	<b>128</b>	<b>16.0</b>	<b>20,612</b>	<b>17.7</b>
Small Business	721	90.0	55,178	90.2	80	10.0	6,019	9.8
Small Farm	512	92.6	18,461	95.1	41	7.4	950	4.9
<b>TOTAL LOANS</b>	<b>1,906</b>	<b>88.4</b>	<b>169,409</b>	<b>86.0</b>	<b>249</b>	<b>11.6</b>	<b>27,581</b>	<b>14.0</b>

As indicated in the table above, a substantial majority of the total number (88.4%) and dollar amount (86%) of loans considered in the evaluation were extended within the bank’s assessment areas. Overall, the institution’s level of lending within its assessment areas demonstrates excellent responsiveness to community credit needs.

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

Geographic distribution performance (lending in low- and moderate-income census tracts) in the Commonwealth of Virginia was evaluated based solely on lending in moderate-income census tracts due to the absence of low-income census tracts within the Smyth County, VA NonMSA assessment area. While performance varied by product and year within each state, the bank's overall geographic distribution performance in Virginia is considered excellent, while performance in Tennessee is considered poor. Based on the significantly greater weight afforded to performance in Virginia, BOM's overall geographic distribution performance is considered excellent.

The bank's borrower distribution performance (lending to low- and moderate-income borrowers and small businesses/farms having revenues of \$1 million or less) is considered excellent in the Commonwealth of Virginia and good in Tennessee. Consistent with the geographic distribution performance, greater weight was given to performance in Virginia and BOM's overall borrower distribution performance is considered excellent.

### **Community Development Lending:**

Information from contacts made with individuals knowledgeable of the credit needs within BOM's assessment areas and the review of performance evaluations of other similarly situated institutions operating in the same markets were used to determine the availability of community development opportunities. Lending opportunities are relatively limited within the Smyth County, VA NonMSA, but are reasonably available within the institution's other assessment areas. The bank made a low level of community development loans within the Commonwealth of Virginia, having originated only one such loan during the review period totaling \$50,000 in the Smyth County, VA NonMSA assessment area. BOM did not extend any community development loans during the evaluation period in Tennessee. To the extent the bank made other qualified community development loans, such loans were required to be reported as either small business/farm or HMDA loans and could not also be reported as community development lending.

### **INVESTMENT TEST**

Overall, BOM's investment test performance is rated Low Satisfactory, driven primarily by performance in Virginia. As of December 31, 2023, the institution reported \$554.2 million in total assets and held a securities portfolio totaling \$149.6 million. As of the date of the evaluation, BOM held approximately \$5.6 million in qualified investments and made \$31,700 in qualified contributions. Qualified investments, including donations, benefiting statewide areas or individual assessment areas are discussed in the evaluation of those areas.

BOM makes an adequate level of qualified CD investments and grants, and is rarely in a leadership position. The bank makes occasional use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

### **SERVICE TEST**

BOM's overall performance under the service test is rated High Satisfactory. Delivery systems, branch locations, and hours of operation are considered accessible to all portions of the Virginia assessment areas, and reasonably accessible in Tennessee. Of the bank's 18 total branch offices, four (including the financial services and commercial lending office) are located in moderate-income census tracts. Furthermore, the bank implemented various temporary services during a portion of the evaluation period, including extensions, payment deferrals, and fee waivers on various products in response to the COVID-19 global pandemic crisis. Business hours and services do not vary in a way that inconveniences low- and moderate-income residents of BOM's assessment areas.

Within Virginia, the bank and its employees participated in a relatively high level of community development services. However, the bank provided a limited level of qualified community development services in Tennessee. Consistent with the distribution of loans, deposits, and branch offices, the bank's performance in the Commonwealth of Virginia drives the institution's overall service test rating. Discussion of specific activities is included in each assessment area.

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

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

## COMMONWEALTH OF VIRGINIA

***CRA RATING FOR VIRGINIA: SATISFACTORY***  
***The lending test is rated: OUTSTANDING***  
***The investment test is rated: LOW SATISFACTORY***  
***The service test is rated: HIGH SATISFACTORY***

Major factors supporting the rating include:

- Within Virginia, the bank's lending levels reflect excellent responsiveness to assessment area credit needs.
- The bank's geographic distribution performance is considered excellent overall.
- The bank's borrower distribution performance is also considered excellent overall.
- During the evaluation period, the bank made a low level of community development loans within its full scope Virginia assessment area, having originated only one such loan.
- The bank maintains an adequate level of qualified community development investments, rarely in a leadership position, when considering bank capacity and assessment area credit needs.
- Delivery systems and branch locations are accessible to all segments of the full scope Virginia assessment area.
- The bank participates in a relatively high number of community development service activities in the full scope Virginia assessment area.

### SCOPE OF EXAMINATION

Reported HMDA, small business and small farm loans from 2021 and 2022 were reviewed to determine the geographic and borrower distribution of the bank's lending. The institution's efforts to serve its markets through qualified community development loans, investments, and services were also reviewed.

The bank delineates three assessment areas (Smyth County, VA NonMSA, Kingsport-Bristol, VA, and Blacksburg-Christiansburg VA) in the Commonwealth of Virginia. On a combined basis, the Virginia assessment areas account for 96.8% of the bank's overall lending (dollar volume), 94.5% of branching, and 97.9% of its deposit volume. **Appendix D** details loan volume, number of branches, and deposit volume by assessment area.

Based on its relative size and the concentration of banking activities, the Smyth County, VA NonMSA assessment area was identified as the bank's primary market within Virginia and was reviewed utilizing the FFIEC's full scope evaluation procedures. Consequently, the bank's performance ratings within the Commonwealth of Virginia are based solely on its performance in the Smyth County, VA NonMSA assessment area. The Kingsport-Bristol, VA assessment area was subject to limited review procedures, and a determination was made as to whether its performance exceeded, was consistent with, or was below the assigned state ratings. As previously noted, the Blacksburg-Christiansburg, VA assessment area was not evaluated due to the limited time it has been established.

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

The institution operates 16 of its 18 branch offices within its two contiguous assessment areas located in the Commonwealth of Virginia, and it operates one branch within its newly delineated Blacksburg-Christiansburg, VA assessment area. The 17 branch offices account for \$469.7 million of the bank's total deposit base. As of June 30, 2023, BOM ranked 4<sup>th</sup> out of 18 institutions in deposit market share having 11.2% of the available Federal Deposit Insurance Corporation (FDIC) insured deposits (excluding credit union deposits) within its combined Virginia assessment areas.

According to 2020 ACS data, the Virginia assessment areas served by the bank have a total population of 176,601, including 47,705 families. A majority of the families are middle- and upper-income (59.65%), while low- and moderate-income families comprise 21.1% and 19.2% of the area's total families, respectively. Within the Virginia assessment areas, the owner occupancy rate equals 61.1%, and 11% of families live below the poverty level.

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

The overall statewide rating is based solely on BOM's performance in the Smyth County, VA NonMSA assessment area, as it accounts for the majority of loan and deposit volume within Virginia and was the only assessment area subject to full scope review.

### **LENDING TEST**

Overall, the statewide lending test is rated Outstanding. Lending activity is considered excellent overall and is measured primarily by market share and the bank's capacity to serve community needs. In the Commonwealth of Virginia, geographic distribution and borrower distribution are both considered excellent. BOM originated one qualified community development loan (\$50,000) in the Smyth County, VA assessment area during the review period.

#### **Lending Activity:**

Lending activity in the Commonwealth of Virginia is considered excellent and is consistent with the bank's capacity. The bank's dollar volume of lending (96.8%) is consistent with the percentage of branches (94.5%) and deposits (97.9%) within the Commonwealth of Virginia. According to 2022 aggregate data, the institution ranked 2<sup>nd</sup> out of 225 lenders in reported mortgage lending with a 9.5% market share and ranked 3<sup>rd</sup> out of 71 lenders in reported small business/farm loans with a 10.3% market share within its combined Virginia assessment areas.

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

BOM's geographic distribution performance for HMDA and small business lending is excellent, while small farm lending is adequate within the full scope Virginia assessment area. Overall, the bank's geographic distribution performance is considered excellent driven by HMDA and small business lending performance.

Borrower distribution performance within the full scope assessment area is excellent for HMDA, small business, and small farm lending. BOM's overall borrower distribution performance is considered excellent in Virginia and takes into consideration the strong combined performance of all three products reviewed.

#### **Community Development Loans:**

The institution makes a low level of community development loans within the full scope assessment area. Community development lending opportunities are relatively limited within the Smyth County, VA NonMSA assessment area, while opportunities are more readily available within the bank's metropolitan assessment area. The bank faces no constraints relative to community development lending when considering its capacity, strong presence within the community, and local competition.

BOM originated one qualified community development loan, a \$50,000 loan to facilitate affordable housing initiatives within the Smyth County, VA NonMSA assessment area during the evaluation period. To the extent other such loans were originated, they were required to be reported as HMDA or small business/farm loans and could not also be considered community development loans.

## **INVESTMENT TEST**

The institution's level of responding to community development needs through its investment activities is rated Low Satisfactory within the Commonwealth of Virginia. As of the date of this evaluation, BOM maintained a \$2.5 million investment in three Virginia Housing Development Authority (VHDA) rental housing bonds. The VHDA promotes affordable housing by financing affordable rental units, which provides housing for low- and moderate- income individuals throughout the Commonwealth of Virginia, including BOM's assessment areas. BOM also invested \$1 million in the Housing Equity Fund of Virginia which supports housing development targeted to low-income families. Although this bond supports a statewide housing development program, it contains one specific affordable housing program that directly impacts the bank's assessment area.

The bank made charitable donations totaling \$30,700 to support local organizations that provide community services within its Virginia assessment areas during the evaluation period, of which \$21,950 benefitted both the Smyth County, VA NonMSA and Kingsport-Bristol, VA assessment areas.

## **SERVICE TEST**

BOM's statewide performance for the service test is rated High Satisfactory. Delivery systems and branch locations are accessible within the bank's market areas and to people of varying income levels. BOM did not close any branch offices within Virginia during the evaluation period; however, the bank did open one branch within the Blacksburg-Christiansburg MSA located in a middle-income census tract and in close proximity to a moderate-income census tract. Products and services offered within the Virginia markets are representative of those offered by the institution overall. Additionally, the institution and its employees participated in a relatively high level of community development services, in light of the limited opportunities, within Virginia.

**VIRGINIA NON-METROPOLITAN STATEWIDE AREA**  
*(If some or all of the assessment areas within the non-metropolitan  
statewide area were reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN SMYTH COUNTY, VA NONMSA  
ASSESSMENT AREA**

BOM operates ten branches within Smyth, Russell, and Wythe Counties in southwestern Virginia. As of June 30, 2023, BOM ranked 2<sup>nd</sup> out of 13 institutions in deposit market share with 20.7% of the assessment area's available FDIC insured deposits, excluding credit unions. Based on ACS data from 2020, the assessment area has a population of 83,871 and a median housing value of \$106,437. The owner-occupancy rate for the assessment area (61.5%) exceeds the rate for nonmetropolitan areas of Virginia (56.6%) and slightly exceeds the rate for the entire Commonwealth (60%). The 2021 and 2022 median family incomes for nonmetropolitan areas of Virginia equaled \$58,900 and \$67,800, respectively. The following tables includes pertinent demographic data for the assessment area.

2021 Smyth County, VA NonMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	5,260	22.0
Moderate	5	22.7	5,307	22.2	1,007	19.0	4,623	19.3
Middle	17	77.3	18,635	77.8	2,313	12.4	5,059	21.1
Upper	0	0.0	0	0.0	0	0.0	9,000	37.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>22</b>	<b>100.0</b>	<b>23,942</b>	<b>100.0</b>	<b>3,320</b>	<b>13.9</b>	<b>23,942</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	10,481	6,602	25.6	63.0	1,925	18.4	1,954	18.6
Middle	32,462	19,224	74.4	59.2	7,952	24.5	5,286	16.3
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>42,943</b>	<b>25,826</b>	<b>100.0</b>	<b>60.1</b>	<b>9,877</b>	<b>23.0</b>	<b>7,240</b>	<b>16.9</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	443	15.7	399	15.4	36	17.8	8	21.6
Middle	2,381	84.3	2,186	84.6	166	82.2	29	78.4
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2,824</b>	<b>100.0</b>	<b>2,585</b>	<b>100.0</b>	<b>202</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.5</b>		<b>7.2</b>		<b>1.3</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	34	15.1	34	15.2	0	0.0	0	0.0
Middle	191	84.9	190	84.8	0	0.0	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>225</b>	<b>100.0</b>	<b>224</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>99.6</b>		<b>0.0</b>		<b>0.4</b>

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.



2022 Smyth County, VA NonMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	5,226	22.3
Moderate	9	34.6	8,037	34.3	1,238	15.4	4,663	19.9
Middle	13	50.0	11,411	48.8	1,388	12.2	4,968	21.2
Upper	4	15.4	3,950	16.9	219	5.5	8,541	36.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>26</b>	<b>100.0</b>	<b>23,398</b>	<b>100.0</b>	<b>2,845</b>	<b>12.2</b>	<b>23,398</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	15,004	9,046	33.9	60.3	3,275	21.8	2,683	17.9
Middle	20,958	12,589	47.2	60.1	4,866	23.2	3,503	16.7
Upper	7,333	5,012	18.8	68.3	1,274	17.4	1,047	14.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>43,295</b>	<b>26,647</b>	<b>100.0</b>	<b>61.5</b>	<b>9,415</b>	<b>21.7</b>	<b>7,233</b>	<b>16.7</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	737	26.7	675	26.8	45	22.3	17	43.6
Middle	1,385	50.1	1,260	50.0	107	53.0	18	46.2
Upper	641	23.2	587	23.3	50	24.8	4	10.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2,763</b>	<b>100.0</b>	<b>2,522</b>	<b>100.0</b>	<b>202</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.3</b>		<b>7.3</b>		<b>1.4</b>
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	55	25.1	55	25.2	0	0.0	0	0.0
Middle	130	59.4	129	59.2	0	0.0	1	100.0
Upper	34	15.5	34	15.6	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>219</b>	<b>100.0</b>	<b>218</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>99.5</b>		<b>0.0</b>		<b>0.5</b>
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

According to data published by the FFIEC in 2022, five of the assessment area’s 13 middle-income census tracts were designated as underserved. Underserved census tracts are typically located in rural communities that lack certain community services/infrastructure and are also distant from more urban population centers. During 2021, seven of the area’s 17 middle-income tracts were considered underserved and four tracts were considered distressed due to poverty.

The assessment area’s economy is based on manufacturing, health care, and retail services. Major area employers include Utility Trailer Manufacturing, Somic America Inc., Teleperformance USA, Southwest Virginia Mental Health Center, local government, and area school systems. The average annual unemployment rates for counties within the assessment area are presented in the table below.

<b>Smyth County, VA NonMSA 2023 Unemployment Rates</b>					
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Russell County, VA	4.30%	4.10%	6.90%	4.40%	3.60%
Smyth County, VA	4.00%	3.70%	6.70%	4.20%	3.20%
Wythe County, VA	3.80%	3.60%	8.00%	4.10%	3.10%
Commonwealth of Virginia	3.00%	2.80%	6.50%	3.90%	2.90%

Unemployment rates within counties of the assessment area and the Commonwealth of Virginia rose sharply in 2020 as a result of the COVID-19 global pandemic. In the most recent two years unemployment rates have declined, and the average annual rates for Russell, Smyth, and Wythe Counties during 2022 reflect slightly lower unemployment than pre-pandemic levels.

An individual knowledgeable of the local community was contacted during the examination to discuss the area’s local economic conditions. The contact noted that the area could benefit from more accessibility to affordable housing and there is a real need for resources to improve financial literacy, budgeting skills, and scam awareness.

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

### **LENDING TEST**

The bank’s overall lending performance within the assessment area is considered excellent based on the evaluation of lending activity, geographic and borrower distribution performance, and the level of community development lending, while considering the bank’s market strategy, area demographic data, and aggregate loan data.

During 2021 and 2022, the bank originated \$52 million in HMDA, \$40.6 million in small business, and \$15.8 million in small farm loans within the Smyth County, VA NonMSA assessment area. Due to the dollar volume of HMDA originations within this assessment area, more weight is generally applied to this product when evaluating the overall lending performance.

Of the total HMDA originations during 2021 and 2022, home purchase and refinance lending were the primary products. Given the relatively small number of home improvement and multi-family loans originated and reported by the bank, the geographic and borrower distribution performance for these HMDA loan categories was not evaluated in this assessment area.

### **Lending Activity:**

The bank’s lending levels reflect excellent responsiveness to the credit needs of the assessment area, primarily based on BOM’s market share within the assessment area. The lending activity (69.5% by number and 64% by dollar amount) within this assessment area exceeds the proportion of branch offices (55.6%) in the area, but lags the percentage of area deposits as of June 30, 2023 (80.8%).

According to 2022 aggregate data, the institution ranked 1<sup>st</sup> out of 151 lenders in reported mortgage lending with a 13.2% market share and ranked 2<sup>nd</sup> out of 52 lenders in reported small business/farm loans with a 16.4% market share. The bank's market share rankings and percentages reflect it is a leader in extending both HMDA and small business/small farm loan originations within the area.

### **Geographic Distribution of Loans:**

As indicated in the demographic table, there are no low-income census tracts within the assessment area; therefore, the bank's performance is driven by its lending in moderate-income census tracts. The bank's geographic distribution performance is considered excellent for both HMDA and small business lending and adequate for small farm lending. Given the relative dollar volume of each loan product, the bank's overall geographic distribution performance is considered excellent.

While an analysis of loan dispersion noted a lower volume of lending in Russell County, VA within the assessment area, it did not impact the overall conclusion as the bank operates a single branch in Russell County. The bank's remaining nine branches in the assessment area are concentrated in other counties within the assessment area.

### HMDA Lending

Considering both demographic and aggregate proxies for demand, the bank's overall geographic distribution performance for both home purchase and refinance lending is considered excellent.

As previously noted, performance for home improvement and multi-family loans was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Smyth County, VA NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year											Owner Occupied Units %	
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#	\$ (000)	\$ %	\$ %	#	%	%	\$ (000)	\$ %		\$ %
<b>Home Purchase Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	22	20.6	17.8	2,935	21.2	14.6	40	38.5	27.8	5,353	34.1	24.4	33.9
Middle	85	79.4	82.1	10,911	78.8	85.3	45	43.3	44.9	7,393	47.1	44.7	47.2
Upper	0	0.0	0.0	0	0.0	0.0	19	18.3	27.3	2,957	18.8	30.9	18.8
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>107</b>	<b>100.0</b>	<b>100.0</b>	<b>13,846</b>	<b>100.0</b>	<b>100.0</b>	<b>104</b>	<b>100.0</b>	<b>100.0</b>	<b>15,703</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	21	25.9	16.5	1,989	20.1	14.5	32	41.6	28.3	3,475	39.5	26.7	33.9
Middle	60	74.1	83.5	7,923	79.9	85.5	40	51.9	43.3	4,617	52.5	43.1	47.2
Upper	0	0.0	0.0	0	0.0	0.0	5	6.5	28.5	708	8.0	30.2	18.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>81</b>	<b>100.0</b>	<b>100.0</b>	<b>9,912</b>	<b>100.0</b>	<b>100.0</b>	<b>77</b>	<b>100.0</b>	<b>100.0</b>	<b>8,800</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	50.0	12.1	30	28.6	13.9	7	43.8	26.0	307	28.4	23.2	33.9
Middle	1	50.0	87.9	75	71.4	86.1	6	37.5	38.5	580	53.7	37.8	47.2
Upper	0	0.0	0.0	0	0.0	0.0	3	18.8	35.6	194	17.9	39.0	18.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>105</b>	<b>100.0</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>1,081</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>												<b>Multi-family Units %</b>	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	20.0	0	0.0	5.7	0	0.0	12.5	0	0.0	7.9	32.6
Middle	0	0.0	80.0	0	0.0	94.3	1	100.0	75.0	80	100.0	78.0	53.6
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	12.5	0	0.0	14.1	13.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>80</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>												<b>Owner Occupied Units %</b>	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	47	23.2	16.8	5,206	20.9	14.3	85	39.7	27.7	9,382	34.7	24.4	33.9
Middle	156	76.8	83.2	19,760	79.1	85.7	99	46.3	43.6	13,630	50.4	44.9	47.2
Upper	0	0.0	0.0	0	0.0	0.0	30	14.0	28.7	4,014	14.9	30.7	18.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>203</b>	<b>100.0</b>	<b>100.0</b>	<b>24,966</b>	<b>100.0</b>	<b>100.0</b>	<b>214</b>	<b>100.0</b>	<b>100.0</b>	<b>27,026</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

Home Purchase Lending

The bank’s home purchase loan performance is considered excellent overall. In reaching this conclusion, more weight was placed on the bank’s performance during 2022 than 2021 because of the larger dollar volume of home purchase loans reported by the bank during 2022.

During 2022, the bank’s performance for home purchase loans is excellent because the level of such lending in moderate-income census tracts (38.5%) exceeded both the percentage of owner-occupied housing units (33.9%) and the percentage of home purchase loans reported by the aggregate lenders (27.8%) within such tracts.

BOM’s performance in 2021 was not as strong as its performance during 2022 and is considered good. During 2021, the bank’s level of home purchase lending in moderate-income census tracts (20.6%) lagged the percentage of owner-occupied housing units (25.6%), but exceeded the aggregate reporters’ level of lending (17.8%) in such tracts.

Refinance Lending

The bank’s refinance loan performance is considered excellent in 2022, and its performance during 2021 is similar. During 2022, the bank’s level of refinance lending in moderate-income census tracts (41.6%) significantly exceeded both the percentage of owner-occupied housing units (33.9%) and the percentage of refinance loans reported by the aggregate lenders (28.3%) within such tracts.

Small Business Lending

The bank’s small business loan performance is considered excellent during both 2022 and 2021.

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Smyth County, VA NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	97	25.9	19.7	6,068	25.0	20.0	54	37.5	24.4	5,678	34.8	21.0	26.7
Middle	278	74.1	79.3	18,174	75.0	79.8	71	49.3	53.6	8,953	54.8	59.0	50.1
Upper	0	0.0	0.0	0	0.0	0.0	19	13.2	21.2	1,703	10.4	19.8	23.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Level	0	0.0	1.0	0	0.0	0.2	0	0.0	0.8	0	0.0	0.2	
<b>Total</b>	<b>375</b>	<b>100.0</b>	<b>100.0</b>	<b>24,242</b>	<b>100.0</b>	<b>100.0</b>	<b>144</b>	<b>100.0</b>	<b>100.0</b>	<b>16,334</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data  
2022 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

The geographic distribution of small business loans is considered excellent in 2022, and the bank’s performance during 2021 is similar. During 2022, the bank’s level of lending in moderate-income census tracts (37.5%) substantially exceeded the percentage of area businesses (26.7%) and the aggregate reporters’ level of lending (24.4%) in such tracts.

Small Farm Lending

The bank’s small farm loan performance is considered adequate during both 2022 and 2021.

Distribution of 2021 and 2022 Small Farm Lending By Income Level of Geography													
Assessment Area: Smyth County, VA NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Farms %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#	%	\$(000)	%	\$(000)	%	#	%	#	%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	42	15.5	20.0	1,013	12.1	12.2	32	27.1	34.8	1,931	26.0	35.6	25.1
Middle	229	84.5	79.9	7,383	87.9	87.7	78	66.1	56.4	5,068	68.3	58.0	59.4
Upper	0	0.0	0.0	0	0.0	0.0	8	6.8	8.4	425	5.7	6.3	15.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Total	271	100.0	100.0	8,396	100.0	100.0	118	100.0	100.0	7,424	100.0	100.0	100.0

Source: 2022 FFIEC Census Data  
2022 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

The geographic distribution of small farm loans is considered adequate in 2022, and the bank’s performance during 2021 is similar. During 2022, the bank’s level of lending in moderate-income census tracts (27.1%) approximated the percentage of area farms (25.1%) and lagged the aggregate reporters’ level of lending (34.8%) in such tracts.

**Lending to Borrowers of Different Incomes and Businesses of Different Sizes:**

BOM’s borrower distribution performance is considered excellent for HMDA, small business, and small farm lending.

HMDA Lending

The borrower distribution performance of HMDA lending is considered excellent overall. From a loan category perspective, performance of the bank’s home purchase lending is considered good, while refinance lending is excellent. The overall conclusion is driven in large part by the bank’s level of home purchase and refinance lending to low-income borrowers during 2021 and 2022, as well as its refinance lending to moderate-income borrowers during 2022.

As previously noted, performance for home improvement loans was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Smyth County, VA NonMSA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
Low	12	11.2	8.2	579	4.2	4.7	13	12.5	9.5	914	5.8	4.9	22.3
Moderate	30	28.0	25.3	2,903	21.0	19.3	29	27.9	25.7	3,269	20.8	18.9	19.9
Middle	30	28.0	25.8	3,969	28.7	24.7	17	16.3	20.5	2,392	15.2	19.5	21.2
Upper	35	32.7	30.7	6,395	46.2	41.0	42	40.4	30.9	8,480	54.0	43.2	36.5
Unknown	0	0.0	10.0	0	0.0	11.0	3	2.9	13.3	648	4.1	13.6	0.0
<b>Total</b>	<b>107</b>	<b>100.0</b>	<b>100.0</b>	<b>13,846</b>	<b>100.0</b>	<b>100.0</b>	<b>104</b>	<b>100.0</b>	<b>100.0</b>	<b>15,703</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	13	15.0	5.5	723	7.3	2.7	11	14.3	11.5	819	9.3	7.4	22.3
Moderate	13	15.0	15.7	997	10.1	12.0	26	33.8	24.1	2,437	27.7	19.8	19.9
Middle	17	21.0	20.7	1,716	17.3	17.5	9	11.7	23.5	1,103	12.5	22.5	21.2
Upper	35	43.2	40.1	5,591	56.4	48.6	30	39.0	34.3	4,328	49.2	41.7	36.5
Unknown	3	3.7	17.0	885	8.9	19.1	1	1.3	6.5	113	1.3	8.6	0.0
<b>Total</b>	<b>81</b>	<b>100.0</b>	<b>100.0</b>	<b>9,912</b>	<b>100.0</b>	<b>100.0</b>	<b>77</b>	<b>100.0</b>	<b>100.0</b>	<b>8,800</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	5.2	0	0.0	3.6	5	31.3	12.5	200	18.5	10.6	22.3
Moderate	1	50.0	15.5	30	28.6	15.2	5	31.3	20.2	225	20.8	15.1	19.9
Middle	1	50.0	27.6	75	71.4	28.3	4	25.0	31.7	241	22.3	32.6	21.2
Upper	0	0.0	50.0	0	0.0	51.2	2	12.5	33.7	415	38.4	39.1	36.5
Unknown	0	0.0	17	0	0.0	0.8	0	0.0	19	0	0.0	15	0.0
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>105</b>	<b>100.0</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>1,081</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													
Low	27	13.3	6.9	1,437	5.8	3.8	34	16.0	10.7	2,156	8.0	5.9	22.3
Moderate	45	22.2	21.2	3,960	15.9	15.9	64	30.0	24.3	6,158	22.9	18.8	19.9
Middle	51	25.1	23.0	6,017	24.1	20.9	32	15.0	22.3	3,815	14.2	20.6	21.2
Upper	77	37.9	35.6	12,667	50.7	44.5	79	37.1	32.0	14,055	52.2	42.7	36.5
Unknown	3	1.5	13.2	885	3.5	14.8	4	1.9	10.6	761	2.8	12.0	0.0
<b>Total</b>	<b>203</b>	<b>100.0</b>	<b>100.0</b>	<b>24,966</b>	<b>100.0</b>	<b>100.0</b>	<b>213</b>	<b>100.0</b>	<b>100.0</b>	<b>26,946</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.  
Multifamily loans are not included in the borrower distribution analysis.

Home Purchase Lending

BOM's home purchase loan performance is considered good overall during 2022 and 2021. During 2022, the bank's percentage of home purchase loans to low-income borrowers (12.5%) lagged the percentage of area low-income families (22.3%), but it exceeded the aggregate reporters' level of lending (9.5%). BOM's percentage of home purchase loans to moderate-income borrowers (27.9%) exceeded the percentage of area moderate-income families (19.9%) and approximated the aggregate reporters' level of lending (25.7%) during 2022. Overall, the bank's home purchase lending to low- and moderate-income borrowers during 2022 is considered good, and its performance during 2021 is similar.

Refinance Lending

The bank’s refinance loan performance is considered excellent overall during both 2022 and 2021. While BOM’s level of refinance lending to low-income borrowers (14.3%) lagged the percentage of low-income families within the assessment area (22.3%), it exceeded the aggregate level of lending (11.5%) during 2022. The bank’s level of refinance lending to moderate-income borrowers (33.8%) significantly exceeded both the percentage of area moderate-income families (19.9%) and the aggregate level of lending (24.1%).

The bank’s performance during 2021 is excellent in large part because of its level of lending to low-income borrowers. During 2021, the bank’s percentage of refinance loans to low-income borrowers (16%) lagged the percentage of area low-income families (22.3%), but it significantly exceeded the aggregate reporters’ level of lending (5.5%). BOM’s refinance lending to moderate-income borrowers (16%) lagged the percentage of area moderate-income families (19.9%) and approximated the aggregate reporters’ level of lending (16.7%).

Small Business Lending

The bank’s small business loan performance is considered excellent during both 2022 and 2021.

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Smyth County, VA NonMSA													
	Bank And Aggregate Loans By Year												
	2021						2022						Total Businesses %
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%		
By Revenue													
\$1 Million or Less	324	86.4	56.0	13,351	55.1	43.0	125	86.8	66.4	9,439	57.8	57.4	91.3
Over \$1 Million	29	7.7		9,628	39.7		18	12.5		6,835	41.8		7.3
Revenue Unknown	22	5.9		1,263	5.2		1	0.7		60	0.4		1.4
<b>Total</b>	<b>375</b>	<b>100.0</b>		<b>24,242</b>	<b>100.0</b>		<b>144</b>	<b>100.0</b>		<b>16,334</b>	<b>100.0</b>		<b>100.0</b>
By Loan Size													
\$100,000 or Less	320	85.3	90.9	6,897	28.5	37.5	107	74.3	90.4	3,550	21.7	36.7	
\$100,001 - \$250,000	32	8.5	5.8	5,051	20.8	23.6	20	13.9	6.3	3,181	19.5	24.2	
\$250,001 - \$1 Million	23	6.1	3.3	12,294	50.7	38.9	17	11.8	3.3	9,603	58.8	39.1	
<b>Total</b>	<b>375</b>	<b>100.0</b>	<b>100.0</b>	<b>24,242</b>	<b>100.0</b>	<b>100.0</b>	<b>144</b>	<b>100.0</b>	<b>100.0</b>	<b>16,334</b>	<b>100.0</b>	<b>100.0</b>	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	297	91.7		5,915	44.3		101	80.8		3,040	32.2		
\$100,001 - \$250,000	18	5.6		2,824	21.2		17	13.6		2,723	28.8		
\$250,001 - \$1 Million	9	2.8		4,612	34.5		7	5.6		3,676	38.9		
<b>Total</b>	<b>324</b>	<b>100.0</b>		<b>13,351</b>	<b>100.0</b>		<b>125</b>	<b>100.0</b>		<b>9,439</b>	<b>100.0</b>		
Source: 2022 FFIEC Census Data 2022 Dhot & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

The bank’s level of lending to businesses with annual revenues of \$1 million or less during 2022 (86.8%) approximated the percentage of area businesses having revenues of \$1 million or less (91.3%) and significantly exceeded the aggregate reporters’ level of lending (66.4%). The remaining percentage of small business loans reported by the aggregate lenders either had revenue exceeding \$1 million per year or revenues were unknown. Additionally, 74.3% of the bank’s small business loans were in amounts of \$100,00 or less which is less the aggregate level of such loans (90.4%). Overall, the bank’s performance during 2022 is considered excellent, and the conclusion is driven by its small business lending by revenue compared to the aggregate level of lending.



While BOM extended PPP loans during 2021, the bank maintained revenues for the vast majority of its PPP small business loans. Of the 375 total small business loans made in this assessment area during 2021, only 22 loans (5.9%) were made with unknown revenues. In addition, 85.3% of the bank’s small business loans were in amounts of \$100,000 or less which approximates the aggregate level of such loans (90.9%). When considering only the loans made to businesses where revenue was known, 324 of 353 loans (91.8%) were to businesses having annual revenues of \$1 million or less. Overall, the bank’s performance during 2021 is considered excellent.

Small Farm Lending

The bank’s small farm loan performance is considered excellent during both 2022 and 2021.

Distribution of 2021 and 2022 Small Farm Lending By Revenue Size of Farms													
Assessment Area: Smyth County, VA NonMSA													
	Bank And Aggregate Loans By Year												Total Farms %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>By Revenue</b>													
<b>\$1 Million or Less</b>	269	99.3	55.2	8,345	99.4	80.4	115	97.5	80.8	7,274	98.0	90.8	99.5
<b>Over \$1 Million</b>	1	0.4		25	0.3		2	1.7		125	1.7		0.0
<b>Revenue Unknown</b>	1	0.4		26	0.3		1	0.8		25	0.3		0.5
<b>Total</b>	271	100.0		8,396	100.0		118	100.0		7,424	100.0		100.0
<b>By Loan Size</b>													
<b>\$100,000 or Less</b>	253	93.4	95.3	4,743	56.5	60.8	102	86.4	87.5	3,877	52.2	51.8	
<b>\$100,001 - \$250,000</b>	14	5.2	3.5	2,066	24.6	21.8	11	9.3	10.1	1,648	22.2	29.7	
<b>\$250,001 - \$500,000</b>	4	1.5	1.2	1,587	18.9	17.4	5	4.2	2.4	1,899	25.6	18.5	
<b>Total</b>	271	100.0	100.0	8,396	100.0	100.0	118	100.0	100.0	7,424	100.0	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>													
<b>\$100,000 or Less</b>	251	93.3		4,692	56.2		99	86.1		3,727	51.2		
<b>\$100,001 - \$250,000</b>	14	5.2		2,066	24.8		11	9.6		1,648	22.7		
<b>\$250,001 - \$500,000</b>	4	1.5		1,587	19.0		5	4.3		1,899	26.1		
<b>Total</b>	269	100.0		8,345	100.0		115	100.0		7,274	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

The bank’s level of lending to farms with annual revenues of \$1 million or less during 2022 (97.5%) approximated the percentage of area farms having revenues of \$1 million or less (99.5%) and significantly exceeded the aggregate reporters’ level of lending (80.8%). Additionally, 86.4% of the bank’s small farm loans were in amounts of \$100,000 or less which approximates the aggregate level of such loans (87.5%). The bank’s performance during 2022 is considered excellent and its performance during 2021 is similar.

**Community Development Loans:**

The bank makes a low level of community development loans within the assessment area. As previously stated, opportunities for community development lending are relatively limited within the Smyth County, VA NonMSA assessment area. Notwithstanding the limited opportunities, the bank faces no significant constraints in extending such loans given its capacity, market position, and business strategy.

The bank reported originating one community development loan totaling \$50,000 that supports affordable housing initiatives within this assessment area during the evaluation period. To the extent that the bank extended other such loans, they were required to be reported as HMDA, small business, or small farm loans and could not also be reported as community development.

## **INVESTMENT TEST**

BOM's level of responding to community development needs through its investment activities in the Smyth County, VA NonMSA assessment area is considered adequate. The bank maintains an adequate level of qualified investments, rarely in a leadership position, relative to its size, capacity, and available opportunities. The bank makes occasional use of innovative and/or complex investments to support community development initiatives. As previously noted, the bank holds three VHDA bonds totaling \$2.5 million and has invested \$1 million in the Housing Equity Fund of Virginia that supports affordable housing throughout the Commonwealth, including this assessment area. During the evaluation period, BOM made charitable donations totaling \$8,500 that directly benefited this assessment area, as well as an additional \$21,950 that benefitted both assessment areas reviewed in the Commonwealth of Virginia, totaling \$30,450 in qualified donations.

## **SERVICE TEST**

Within the Smyth County, VA NonMSA assessment area, systems for delivering retail banking services are accessible to all portions of the assessment area, including low- and moderate-income residents and areas. Also, the bank and its employees participate in a relatively high level of community development services within the assessment area.

### **Retail Services:**

Delivery systems are accessible to all portions of the assessment area. Automatic-teller-machines (ATMs) are available and, through a network, provide customers with 24-hour nationwide access. Internet-based and bank by mail services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system.

The institution operates ten full-service branch offices within the assessment area, of which four (40%) are located in moderate-income census tracts. This distribution compares favorably when considering that 34.6% (9 of 26) of the areas census tracts are moderate-income and 34.2% of area households are moderate-income. The bank's remaining branches in the assessment area are located in middle-income census tracts. There are no low-income census tracts within the assessment area. No branches have been opened or closed in the assessment area since the previous evaluation.

Branch offices are generally open until 5:00 p.m. Monday through Thursday and until 6:00 p.m. on Fridays. In addition, the bank's branches offer drive-up services and Saturday hours. Banking services do not vary by branch location within the assessment area. Business hours and banking services offered do not vary in a way that inconveniences low-and moderate-income people or areas within the assessment area.

The institution also continues to offer no-cost checking products to individuals, as well as low-cost checking to businesses within the community. Checking account customers may qualify for a line of credit for various purposes. These accounts can benefit all segments of the community, including low- and moderate-income individuals and small businesses. In addition, and as previously noted, the bank implemented various temporary services including extensions, payment deferrals, and fee waivers on differing products in response to the COVID-19 global pandemic crisis.

### **Community Development Services:**

Given the limited opportunities available in the area, BOM's employees participate in a relatively high level of community development service activities that provide support to various local organizations whose operations directly benefit low- and moderate-income residents, provide affordable housing, or promote small business development.

The bank supported the following organizations within the Smyth County, VA NonMSA assessment area during the evaluation period:

- Bread of Life Food Pantry- one employee serves as the treasurer of this nonprofit organization that provides a wide variety of community services, specifically food and school supplies, to low- and moderate-income residents.
- Brock Hughes Free Medical Clinic – one employee serves on the board of directors of this organization that provides free medical services to area low-income residents.
- Honaker and Saltville Lions Clubs – one employee serves as the treasurer of the Honaker club, and another employee serves as member of the Saltville club; these nonprofit organizations provide a wide variety of community services targeted to area low- and moderate-income residents.
- Smyth County Community Foundation – one employee serves on the board of directors and the finance committee of this nonprofit organization which provides grants and donations to wellness programs in Smyth County, VA (underserved).
- Town of Marion Loan Fund Committee – a bank employee serves as a loan committee member to review loan applications for downtown Marion business owners in an effort to stimulate economic growth within this region.

**METROPOLITAN AREAS**  
(Limited-Scope review)

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

The assessment area includes all census tracts in the counties of Scott, Washington, and the City of Bristol, Virginia. Although the MSA occupies sections of both Virginia and Tennessee, bank branches and the delineated assessment area are all within the Virginia portion of the larger MSA. The bank’s assessment area in 2021 (based on 2015 ACS data) contained no low-income tracts, two moderate-, sixteen middle-, and five upper-income census tracts. During 2022, the area contained one low-, three moderate-, seventeen middle-, and five upper-income census tracts (based on 2020 ACS data). The assessment area had a population of 92,730.

The bank operates six branches within this assessment area, all of which are located in middle- or upper-income census tracts. The assessment area contains 33.3% of the institution’s branches and 17.1% of the bank’s deposits. The following table provides information regarding the demographic characteristics of the assessment area, based on 2020 ACS data.

<b>Assessment Area Demographics - Kingsport-Bristol, VA Assessment Area</b>				
Income Category	Tract Distribution		Percentage of Families by Tract	Percentage of Families by Income Level
	#	%		
Low	1	3.8	1.7	20.0
Moderate	3	11.5	9.1	18.5
Middle	17	65.4	70.9	20.0
Upper	5	19.2	18.3	41.5
<b>Total</b>	<b>26</b>	<b>100</b>	<b>100</b>	<b>100</b>

The following table shows the bank’s lending activity in the assessment area during the evaluation period.

<b>Lending Activity in the Kingsport-Bristol, VA Assessment Area</b>			
<i>Loan Type</i>	<i>2021</i>	<i>2022</i>	<i>Total</i>
HMDA	110	129	239
Small Business	116	60	176
Small Farm	95	25	120
<b>Total</b>	<b>321</b>	<b>214</b>	<b>535</b>

As a percentage by number and dollar, respectively, the Kingsport-Bristol, VA assessment area accounts for 28.1% and 32.8% of the bank’s overall lending during the evaluation period. In 2021, the bank ranked 4<sup>th</sup> out of 207 HMDA reporters with 4% of the area’s total HMDA volume. In 2022, it ranked 3<sup>rd</sup> out of 107 reporters with 6.4% of the area’s HMDA’s lending. From a CRA data perspective, in 2021, the bank ranked 3<sup>rd</sup> out of 61 institutions reporting small business and small farm loans with 9.6% of the area’s lending, and in 2022, it ranked 7<sup>th</sup> out of 54 reporters with 4.8% of lending.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending performance data from the evaluation period can be found in APPENDIX C of this evaluation. Conclusions regarding performance, which did not impact the institution's overall rating, are included in the following table. For each test, the conclusion conveys whether performance in an assessment area was generally below, consistent with, or exceeded the institution's statewide ratings.

Assessment Area	Lending Test	Investment Test	Service Test
Kingsport-Bristol, VA	Below	Consistent	Below

The bank made no community development loans during the evaluation period. BOM holds \$2.5 million in VHDA bonds and \$1 million in the Housing Equity Fund of Virginia that support affordable housing initiatives in the statewide area, including this assessment area. In addition, the bank made charitable donations totaling approximately \$22,200 to nonprofit organizations that provide community development services within this assessment area, of which \$250 solely benefitted this assessment area. During the evaluation period, BOM participated in two community development service activities in this assessment area, of which one also benefitted the Smyth County, VA NonMSA assessment area.

## STATE OF TENNESSEE

### ***CRA RATING FOR TENNESSEE: SATISFACTORY***

***The lending test is rated: LOW SATISFACTORY***

***The investment test is rated: LOW SATISFACTORY***

***The service test is rated: LOW SATISFACTORY***

Major factors supporting the rating include:

- Overall lending activity is adequate in relation to the bank's capacity and local credit needs.
- The bank's geographic distribution performance is considered very poor for HMDA and good for small business lending. Overall, the bank's performance is considered poor.
- The bank's borrower distribution performance is considered adequate for HMDA and excellent for small business lending. Overall, the bank's borrower distribution is considered good.
- The bank extended few, if any community development loans within Tennessee during the evaluation period.
- The bank maintains an adequate level of qualified community development investments when considering available opportunities and bank capacity.
- Delivery systems and branch locations are reasonably accessible to all segments of the bank's Tennessee assessment area.
- Within Tennessee, the bank provided a limited level of community development services.

### **SCOPE OF EXAMINATION**

The bank delineates one assessment area (Johnson City, TN) in the State of Tennessee. The Johnson City, TN assessment area was evaluated using the FFIEC's full scope review procedures, and the statewide ratings for Tennessee are based solely on the bank's performance in this assessment area.

Reported HMDA and small business loans from 2021 and 2022 were used to analyze the bank's geographic and borrower distribution performance. Given the minimal volume of small farm lending extended by the bank and the limited demand (based upon a small number of farms) for such loans in the Johnson City, TN assessment area, the bank's small farm lending performance was not analyzed. The bank's level of qualified community development loans, investments, and services during the evaluation period was evaluated.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN JOHNSON CITY, TN ASSESSMENT AREA**

The institution operates one branch within the Johnson City, TN assessment area, which includes a portion of Washington County, Tennessee and does not include the entire MSA. As of June 30, 2023, BOM ranked 16<sup>th</sup> out of 19 financial institutions in deposit market share with .3% of the assessment area's available FDIC insured deposits, excluding credit unions. Based on ACS data from 2020, the assessment area has a population of 111,105 and a median housing value of \$174,549. The owner-occupancy rate for the area equals 53.9%, which lags the statewide rate of 58.6% and the Johnson City, TN MSA's rate of 59.1%. Within the assessment area, 10.5% of families are below the poverty level, which is similar to the rate for the entire state (10.6%) and lower than the MSA (11.5%). The median family income in the assessment area during 2021 & 2022 equaled \$63,900 and \$75,300, respectively. The following tables include relevant demographic data for the assessment area.

2021 Johnson City, TN AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,842	18.3
Moderate	4	21.1	3,961	15.0	1,163	29.4	3,794	14.4
Middle	7	36.8	10,942	41.5	982	9.0	5,502	20.8
Upper	7	36.8	11,489	43.5	954	8.3	12,254	46.4
Unknown	1	5.3	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>19</b>	<b>100.0</b>	<b>26,392</b>	<b>100.0</b>	<b>3,099</b>	<b>11.7</b>	<b>26,392</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	8,267	2,924	10.8	35.4	4,425	53.5	918	11.1
Middle	19,318	11,425	42.2	59.1	5,700	29.5	2,193	11.4
Upper	19,074	12,702	47.0	66.6	4,902	25.7	1,470	7.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>46,659</b>	<b>27,051</b>	<b>100.0</b>	<b>58.0</b>	<b>15,027</b>	<b>32.2</b>	<b>4,581</b>	<b>9.8</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	725	16.9	649	16.5	69	20.1	7	20.6
Middle	1,389	32.3	1,284	32.7	89	25.9	16	47.1
Upper	2,156	50.1	1,965	50.1	180	52.3	11	32.4
Unknown	31	0.7	25	0.6	6	1.7	0	0.0
<b>Total AA</b>	<b>4,301</b>	<b>100.0</b>	<b>3,923</b>	<b>100.0</b>	<b>344</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			91.2		8.0		0.8	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	8	15.7	7	14.3	0	0.0	1	100.0
Middle	21	41.2	21	42.9	0	0.0	0	0.0
Upper	22	43.1	21	42.9	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>51</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			96.1		2.0		2.0	
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

2022 Johnson City, TN AA Demographics									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low	2	7.4	1,585	5.9	588	37.1	5,493	20.3	
Moderate	8	29.6	6,283	23.2	1,094	17.4	3,754	13.9	
Middle	4	14.8	5,230	19.3	353	6.7	5,251	19.4	
Upper	12	44.4	13,972	51.6	814	5.8	12,572	46.4	
Unknown	1	3.7	0	0.0	0	0.0	0	0.0	
<b>Total AA</b>	<b>27</b>	<b>100.0</b>	<b>27,070</b>	<b>100.0</b>	<b>2,849</b>	<b>10.5</b>	<b>27,070</b>	<b>100.0</b>	
	Housing Units by Tract	Housing Type by Tract							
		Owner-occupied			Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit	
Low	3,016	778	2.9	25.8	1,819	60.3	419	13.9	
Moderate	14,298	5,299	19.5	37.1	7,058	49.4	1,941	13.6	
Middle	9,603	6,228	22.9	64.9	2,433	25.3	942	9.8	
Upper	23,519	14,862	54.7	63.2	6,527	27.8	2,130	9.1	
Unknown	0	0	0.0	0.0	0	0.0	0	0.0	
<b>Total AA</b>	<b>50,436</b>	<b>27,167</b>	<b>100.0</b>	<b>53.9</b>	<b>17,837</b>	<b>35.4</b>	<b>5,432</b>	<b>10.8</b>	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low	100	2.3	84	2.1	13	3.8	3	9.4	
Moderate	1,253	29.2	1,140	29.1	107	31.7	6	18.8	
Middle	704	16.4	644	16.4	53	15.7	7	21.9	
Upper	2,210	51.5	2,033	51.8	161	47.6	16	50.0	
Unknown	26	0.6	22	0.6	4	1.2	0	0.0	
<b>Total AA</b>	<b>4,293</b>	<b>100.0</b>	<b>3,923</b>	<b>100.0</b>	<b>338</b>	<b>100.0</b>	<b>32</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>				<b>91.4</b>	<b>7.9</b>	<b>0.7</b>			
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low	1	1.7	1	1.8	0	0.0	0	0.0	
Moderate	9	15.3	7	12.5	0	0.0	2	100.0	
Middle	7	11.9	7	12.5	0	0.0	0	0.0	
Upper	42	71.2	41	73.2	1	100.0	0	0.0	
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total AA</b>	<b>59</b>	<b>100.0</b>	<b>56</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	
<b>Percentage of Total Farms:</b>				<b>94.9</b>	<b>1.7</b>	<b>3.4</b>			
<i>Source: 2022 FFIEC Census Data 2022 Dun &amp; Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>									



The assessment area’s economy is based on local government, education, and healthcare. Major local employers include Ballard Health Systems, East Tennessee State University, NN, Inc., Johnson City Medical Center, General Shale, and local government and education systems. The average annual unemployment rates for the assessment area, MSA, and state are presented in the table below.

<b>Johnson City, TN 2022 Unemployment Rates</b>					
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Johnson City, TN 2022	3.5%	3.4%	6.3%	3.8%	3.2%
Johnson City, TN MSA	3.8%	3.7%	6.6%	4.0%	3.4%
State of Tennessee	3.5%	3.3%	7.5%	4.5%	3.4%

As indicated by the data table above, unemployment rates within the assessment area, MSA, and State of Tennessee rose sharply in 2020 as a result of the COVID-19 global pandemic. The average annual rates have declined during 2021 and 2022, returning to pre-pandemic levels.

An affordable housing official was contacted during the examination to discuss local housing conditions and community credit needs. The contact noted that the local economy is in need of affordable housing solutions as there is a significant number of residents on waitlists for its programs. With the rise in interest rates, the contact opined that new affordable housing developments are limited or non-existent in the area.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

The institution’s overall lending performance within the State of Tennessee is rated Low Satisfactory. This conclusion is based on the evaluation of the bank’s lending activity, geographic and borrower distribution, and the level of community development lending within its Tennessee assessment area, while taking into account the bank’s market strategy, area demographic data, and aggregate loan data.

During 2021 and 2022, the bank originated \$3.7 million in HMDA, \$1.8 million in small business, and \$19,000 in small farm loans in the Johnson City, TN assessment area. Due to the dollar volume of HMDA lending within this assessment area, more weight is generally placed on this product when evaluating lending performance. As previously mentioned, small farm lending was not evaluated in this market given the relatively limited volume and demand for such lending.

Of the total HMDA originations during 2021 and 2022, home purchase and refinance loans were the primary products. Given the relatively small number of home improvement and multi-family loans originated and reported by the bank, the geographic and borrower distribution performance for these HMDA loan categories was not evaluated in this assessment area.

**Lending Activity:**

The bank’s lending levels reflect an adequate responsiveness to assessment area credit needs. The bank’s lending activity within the assessment area (2.4% of total originations by number and 3.3% by dollar volume) is consistent with the proportion of branch offices (5.6%) and the percentage of deposits as of June 30, 2023 (2.1%) within the assessment area.

According to 2022 aggregate data, BOM ranked 36<sup>th</sup> out of 212 reporters in HMDA lending, with .3% of the market share, and it ranked 25<sup>th</sup> out of 64 reporters in small business lending with a .1% market share. The bank’s HMDA and CRA market share rankings indicate that it is a moderately active lender within this assessment area.

### **Geographic Distribution of Loans:**

As indicated in the demographic tables, in 2021 there were no low- and four moderate-income census tracts within the assessment area. In 2022, following the release of 2020 ACS data, there were two low- and eight moderate-income census tracts in the assessment area. Also of note, the assessment area contains one census tract that has no income designation; this tract contains a segment of the East Tennessee State University campus, and while populated, it contains no families and, therefore, does not have an income designation.

The bank's geographic distribution performance is considered very poor for HMDA lending and good for small business lending. Given the relative dollar volume and performance levels of each loan product, the bank's overall geographic distribution performance is poor.

#### *HMDA Lending*

The geographic distribution performance of HMDA lending is considered very poor overall for both home purchase and refinance lending.

As previously noted, performance for home improvement and multi-family loans was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Johnson City, TN													
Geographic Income Level	Bank And Aggregate Loans By Year											Owner Occupied Units %	
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%		\$%
<b>Home Purchase Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	3.0	0	0.0	15	2.9
Moderate	0	0.0	11.2	0	0.0	7.8	0	0.0	219	0	0.0	16.5	19.5
Middle	1	50.0	41.3	340	64.0	36.7	3	42.9	212	481	24.8	19.9	22.9
Upper	1	50.0	47.5	191	36.0	55.5	4	57.1	54.0	1455	75.2	62.1	54.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>531</b>	<b>100.0</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>1936</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	18	0	0.0	11	2.9
Moderate	0	0.0	7.4	0	0.0	5.4	0	0.0	218	0	0.0	17.2	19.5
Middle	1	25.0	39.7	180	24.9	34.2	1	33.3	22.6	156	40.5	21.6	22.9
Upper	3	75.0	53.0	542	75.1	60.4	2	66.7	53.7	229	59.5	60.1	54.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>722</b>	<b>100.0</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>385</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.9	0	0.0	0.5	2.9
Moderate	0	0.0	5.6	0	0.0	9.0	0	0.0	18.4	0	0.0	14.8	19.5
Middle	0	0.0	36.0	0	0.0	31.2	0	0.0	26.3	0	0.0	23.7	22.9
Upper	0	0.0	58.4	0	0.0	59.7	1	100.0	54.4	100	100.0	61.0	54.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>100</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>												<b>Multi-family Units %</b>	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	16.2	0	0.0	14.4	11.5
Moderate	0	0.0	25.0	0	0.0	23.8	0	0.0	24.3	0	0.0	6.1	31.6
Middle	0	0.0	45.8	0	0.0	45.8	0	0.0	16.2	0	0.0	13.8	12.4
Upper	0	0.0	29.2	0	0.0	30.4	0	0.0	43.2	0	0.0	65.7	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>												<b>Owner Occupied Units %</b>	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	2.6	0	0.0	2.7	2.9
Moderate	0	0.0	9.1	0	0.0	8.0	0	0.0	213	0	0.0	15.6	19.5
Middle	2	33.3	40.3	520	41.5	36.2	4	36.4	22.1	637	26.3	19.8	22.9
Upper	4	66.7	50.6	733	58.5	55.8	7	63.6	54.0	1784	73.7	61.9	54.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>1253</b>	<b>100.0</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>100.0</b>	<b>2,421</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Home Purchase Lending

The bank’s home purchase loan performance is considered very poor during 2022 and 2021. During 2022, BOM did not originate any home purchase loans in low- or moderate-income census tracts. According to the 2020 ACS data, 2.9% and 19.5% of owner-occupied housing units are located in low- and moderate-income census tracts, respectively. Additionally, aggregate lenders reported originating 3% and 21.9% of home purchase loans in low- and moderate-income census tracts, respectively. Given the absence of lending, combined with the presence of demand, BOM’s performance during 2022 is very poor and its performance in the area’s moderate-income census tracts during 2021 is similar.

Refinance Lending

The bank’s refinance loan performance is considered very poor during 2022 and 2021. During 2022, BOM did not originate any refinance loans in low- or moderate-income census tracts. According to the 2020 ACS data, 2.9% and 19.5% of owner-occupied housing units are located in low- and moderate-income census tracts, respectively. Additionally, aggregate lenders reported originating 1.8% and 21.8% of refinance loans in low- and moderate-income census tracts, respectively. Given the absence of lending, combined with the presence of demand, BOM’s performance during 2022 is very poor and its performance in the area’s moderate-income census tracts during 2021 is similar.

Small Business Lending

The bank’s small business loan performance is considered good during 2022, while performance is considered adequate in 2021. Given the relative dollar volume and performance levels of lending each year, the bank’s overall small business geographic distribution performance is considered good.

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Johnson City, TN													
Geographic Income Level	Bank And Aggregate Loans By Year											Total Businesses %	
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank			Agg
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%		%
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	1.9	0	0.0	2.0	2.3
Moderate	3	13.6	15.5	190	14.8	16.9	1	25.0	23.5	30	5.5	16.8	29.2
Middle	7	31.8	30.5	176	13.8	27.9	0	0.0	18.5	0	0.0	22.0	16.4
Upper	12	54.5	53.9	914	71.4	55.1	3	75.0	55.5	517	94.5	58.1	51.5
Unknown	0	0.0	0.1	0	0.0	0.0	0	0.0	0.6	0	0.0	1.2	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>100.0</b>	<b>1,280</b>	<b>100.0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>547</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data  
2022 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

During 2022, the bank’s distribution of small business loans by census tract income level is good. BOM did not extend any small business loans in low-income census tracts; however, only 2.3% of area businesses and 1.9% of aggregate lending is located in such tracts. The bank extended one loan (25%) in moderate-income census tracts, which approximated the percentage of area businesses (29.2%) and slightly exceeded the aggregate reporters’ level of lending (23.5%) in moderate-income census tracts.

The bank originated a larger number and dollar volume of small business loans in the assessment area during 2021, but it made proportionately fewer loans within the moderate-income census tracts compared to 2022. BOM's level of lending in moderate-income tracts (13.6%) slightly lagged the percentage of area businesses (16.9%) and the aggregate reporters' level of lending (15.5%) in such tracts. BOM's 2021 small business lending performance is considered adequate.

**Lending to Borrowers of Different Incomes and To Businesses of Different Sizes:**

BOM's borrower distribution performance is considered adequate for HMDA lending and excellent for small business lending. Given the relative dollar volume and performance levels of each loan product, the bank's overall borrower distribution performance is considered good.

*HMDA Lending*

The borrower distribution performance of HMDA lending is considered adequate overall. From a loan category perspective, performance varies by year and is considered good overall for home purchase lending and adequate overall for refinance lending. The overall HMDA lending conclusion is driven by the bank's level of home purchase and refinance lending to low-income borrowers during 2022.

As previously noted, performance for home improvement loans was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Johnson City, TN													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#	\$(000)	\$%	\$%	#	%	#	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
Low	0	0.0	4.6	0	0.0	2.2	2	28.6	5.2	320	15.5	2.3	20.3
Moderate	0	0.0	15.9	0	0.0	11.2	0	0.0	17.3	0	0.0	10.8	13.9
Middle	0	0.0	211	0	0.0	17.4	0	0.0	19.6	0	0.0	15.1	19.4
Upper	2	100.0	45.5	531	100.0	57.9	5	71.4	45.1	1615	83.5	57.3	46.4
Unknown	0	0.0	11.8	0	0.0	11.3	0	0.0	12.8	0	0.0	13.5	0.0
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>531</b>	<b>100.0</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>1936</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	5.1	0	0.0	2.5	2	66.7	12.8	221	57.4	6.4	20.3
Moderate	0	0.0	14.0	0	0.0	9.1	0	0.0	20.5	0	0.0	14.9	13.9
Middle	1	25.0	18.9	190	26.3	15.1	0	0.0	22.0	0	0.0	20.4	19.4
Upper	2	50.0	42.2	420	58.2	51.8	1	33.3	34.4	154	42.6	45.2	46.4
Unknown	1	25.0	19.7	112	15.5	21.6	0	0.0	10.3	0	0.0	13.1	0.0
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>722</b>	<b>100.0</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>385</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	3.7	0	0.0	1.2	0	0.0	7.9	0	0.0	4.7	20.3
Moderate	0	0.0	21.5	0	0.0	13.2	0	0.0	16.4	0	0.0	10.2	13.9
Middle	0	0.0	18.2	0	0.0	13.8	0	0.0	23.4	0	0.0	17.5	19.4
Upper	0	0.0	53.3	0	0.0	64.4	1	100.0	50.6	100	100.0	64.9	46.4
Unknown	0	0.0	3.3	0	0.0	7.3	0	0.0	1.8	0	0.0	2.7	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>100</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													
Low	0	0.0	5.1	0	0.0	2.4	4	36.4	8.0	541	22.3	3.5	20.3
Moderate	0	0.0	15.7	0	0.0	10.2	0	0.0	17.9	0	0.0	11.8	13.9
Middle	1	15.7	19.7	190	15.2	15.1	0	0.0	20.8	0	0.0	17.0	19.4
Upper	4	66.7	44.3	951	75.9	55.3	7	63.6	42.4	1880	77.7	54.6	46.4
Unknown	1	15.7	15.3	112	8.9	15.0	0	0.0	10.9	0	0.0	13.2	0.0
<b>Total</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>1253</b>	<b>100.0</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>100.0</b>	<b>2,421</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data  
2016-2020 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.  
Multifamily loans are not included in the borrower distribution analysis.

Home Purchase Lending

BOM's home purchase loan performance is considered excellent during 2022 and very poor in 2021. During 2022, the bank's percentage of home purchase loans to low-income borrowers (28.6%) significantly exceeded both the percentage of area low-income families (20.3%) and the aggregate reporters' level of lending (5.2%). Conversely, BOM did not originate any home purchase loans to moderate-income borrowers, which lagged the percentage of area moderate-income families (13.9%) and the aggregate reporters' level of lending (17.3%). Overall, the bank's excellent home purchase loan performance during 2022 is driven by the bank's level of lending to low-income borrowers.

During 2021, the bank did not originate any home purchase loans to low- or moderate-income borrowers within the assessment area. According to the 2015 ACS data, 18.3% and 14.4% of area families are low- and moderate-income, respectively. Additionally, aggregate lenders reported originating 4.6% and 16.9% of home purchase loans to low- and moderate-income borrowers, respectively. Given the absence of lending, combined with the presence of demand, BOM’s performance during 2021 is very poor.

Overall, the bank’s borrower distribution performance for home purchase lending is considered good with greater weight given to performance during 2022 based on the larger dollar volume of lending.

Refinance Lending

The bank’s refinance loan performance is considered excellent during 2022 and very poor in 2021. During 2022, BOM’s level of refinance lending to low-income borrowers (66.7%) significantly exceeded the percentage of low-income families within the assessment area (20.3%) and the aggregate level of lending (12.8%). BOM did not originate any refinance loans to moderate-income borrowers, which lagged the percentage of area moderate-income families (13.9%) and the aggregate reporters’ level of lending (20.5%). Overall, the bank’s excellent refinance loan performance during 2022 is driven by the bank’s level of lending to low-income borrowers.

During 2021, the bank did not originate any refinance loans to low- or moderate-income borrowers within the assessment area. According to the 2015 ACS data, 18.3% and 14.4% of area families are low- and moderate-income, respectively. Additionally, aggregate lenders reported originating 5.1% and 14% of home purchase loans to low- and moderate-income borrowers, respectively. Given the absence of lending, combined with the presence of demand, BOM’s performance during 2021 is very poor.

When considering the relative dollar volume and performance levels during 2021 and 2022, the bank’s overall borrower distribution performance for refinance lending is considered adequate.

Small Business

The bank’s small business loan performance is considered excellent during both 2022 and 2021.

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Johnson City, TN													
	Bank And Aggregate Loans By Year											Total Businesses %	
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#%	\$(000)	%	%	#	%	#%	\$(000)	%	%	
<b>By Revenue</b>													
\$1 Million or Less	16	72.7	45.0	324	25.3	35.1	3	75.0	50.4	347	63.4	40.1	91.4
Over \$1 Million	4	18.2		615	48.0		1	25.0		200	36.6		7.9
Revenue Unknown	2	9.1		341	26.6		0	0.0		0	0.0		0.7
<b>Total</b>	<b>22</b>	<b>100.0</b>		<b>1,280</b>	<b>100.0</b>		<b>4</b>	<b>100.0</b>		<b>547</b>	<b>100.0</b>		<b>100.0</b>
<b>By Loan Size</b>													
\$100,000 or Less	19	86.4	89.4	567	44.3	31.0	2	50.0	92.0	80	14.6	33.8	
\$100,001 - \$250,000	2	9.1	5.4	446	34.8	18.5	1	25.0	4.1	200	36.6	17.4	
\$250,001 - \$1 Million	1	4.5	5.2	267	20.9	50.4	1	25.0	3.8	267	48.8	48.9	
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>100.0</b>	<b>1,280</b>	<b>100.0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>547</b>	<b>100.0</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>													
\$100,000 or Less	16	100.0		324	100.0		2	66.7		80	23.1		
\$100,001 - \$250,000	0	0.0		0	0.0		0	0.0		0	0.0		
\$250,001 - \$1 Million	0	0.0		0	0.0		1	33.3		267	76.9		
<b>Total</b>	<b>16</b>	<b>100.0</b>		<b>324</b>	<b>100.0</b>		<b>3</b>	<b>100.0</b>		<b>347</b>	<b>100.0</b>		

The bank's level of lending to businesses with annual revenues of \$1 million or less during 2022 (75%) lagged the percentage of area businesses having revenues of \$1 million or less (91.4%), but it significantly exceeded the aggregate reporters' level of lending (50.4%). The remaining portion of small business loans reported by aggregate lenders either had revenue exceeding \$1 million per year or revenues were unknown. The bank's performance during 2022 is considered excellent based largely on its small business lending by revenue compared to the aggregate level of lending.

While BOM extended PPP loans during 2021, the bank maintained revenues for the vast majority of its PPP small business loans. Of the 22 total small business loans made in this assessment area during 2021, only two loans (9%) were made with unknown revenues. When considering only the loans made to businesses where revenue was known, 16 of 20 loans (80%) were to businesses having annual revenues of \$1 million or less. The bank's performance during 2021 is considered excellent.

### **Community Development Loans:**

The institution makes few, if any community development loans in the assessment area. Opportunities for community development lending are reasonably available within the Johnson City, TN assessment area, and the bank faces no significant constraints in extending such loans within the assessment area given its capacity, market position, and business strategy.

The bank did not report originating any community development loans within this assessment area during the evaluation period. To the extent that the bank extended such loans, they were required to be reported as HMDA, small business, or small farm loans and could not also be reported as community development loans.

### **INVESTMENT TEST**

BOM's Investment Test performance in the State of Tennessee is rated Low Satisfactory. The bank maintains an adequate level of qualified community development investments and is rarely in a leadership position. BOM makes occasional use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

As of the date of the evaluation, the bank holds four qualified investments in Tennessee Housing Development Authority (THDA) bonds, totaling approximately \$2.1 million. The THDA promotes affordable housing by financing single-family and multi-family mortgages for low- and moderate-income individuals throughout the State of Tennessee, including this assessment area. In addition, the bank made one qualified contribution totaling \$1,000 within this assessment area. Based on its statewide investment activities, and when considering bank capacity and local opportunity, BOM's investment performance is considered adequate within this assessment area.

### **SERVICE TEST**

The bank's Service Test performance in the State of Tennessee is rated Low Satisfactory.

### **Retail Services:**

Delivery systems are reasonably accessible to all portions of the assessment area. Automatic-teller-machines (ATMs) are available and, through a network, provide customers with 24-hour nationwide access. Internet-based and bank by mail services are also offered by the institution. In addition, the bank provides customers with 24-hour telephone access to their accounts through an automated system.



The institution operates one full-service branch office within the assessment area which is located in an upper-income census tract. According to demographic data, 22.4% of area households are located in low- and moderate-income census tracts, with the furthest moderate-income census tract being less than eight miles from the branch. No branches have been opened or closed in the assessment area since the previous evaluation.

The branch office is open until 5:00 p.m. Monday through Thursday and until 6:00 p.m. on Fridays. In addition, the bank's branch offers drive-up and night depository services. Business hours and banking services offered do not vary in a way that inconveniences the assessment area, including low- and moderate-income people or areas.

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

### **Community Development Services:**

The institution's employees participate in a limited level of community development service activities benefiting low- and moderate-income residents and/or small businesses within the Johnson City, TN assessment area. During the evaluation period, the bank supported the following organizations:

- Glade Spring Community Clinic – one employee serves as a board member for this organization that provides access to affordable health services for impoverished individuals and families of the region.
- Johnson City Morning Rotary – one employee serves as secretary and board member for this organization that offers services and programs targeted to low- and moderate-income individuals through civic duties such as food pantries, job creation, and prevention of poverty.

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

<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED<sup>1</sup></b>	<b>OTHER INFORMATION</b>
Smyth County, VA Non MSA	Full-Scope	102 W. Main Street Marion, VA 24354	None
Johnson City, TN	Full-Scope	No branch visits were conducted	None
Kingsport-Bristol, VA	Limited Review	No branch visits were conducted	None

<sup>1</sup> There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

**CRA APPENDIX B**

**SUMMARY OF STATE AND MULTISTATE MSA RATINGS**

<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>
Commonwealth of Virginia	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
State of Tennessee	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

**CRA APPENDIX C  
LIMITED REVIEW TABLES**

**Kingsport-Bristol, VA Assessment Area**

**Geographic Distribution:**

HMDA

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Kingsport-Bristol, VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	2.4	0	0.0	2.1	0.7
Moderate	4	6.7	9.7	489	4.8	8.3	3	5.6	9.0	347	3.1	6.0	8.5
Middle	43	71.7	69.6	7,078	68.9	65.3	45	83.3	69.3	9,690	86.4	67.4	71.1
Upper	13	21.7	20.8	2,713	26.4	26.3	6	11.1	19.3	1,179	10.5	24.5	19.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>10,280</b>	<b>100.0</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>100.0</b>	<b>11,216</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	1.4	0	0.0	0.9	0.7
Moderate	1	2.4	6.8	41	0.7	5.2	3	6.1	8.4	349	4.0	5.3	8.5
Middle	35	83.3	64.9	4,891	79.3	61.3	35	71.4	69.7	4,877	56.0	68.1	71.1
Upper	6	10.3	28.3	1,238	20.1	33.5	11	22.4	20.5	3,488	40.0	25.6	19.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>100.0</b>	<b>6,170</b>	<b>100.0</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>100.0</b>	<b>8,714</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.7	0	0.0	0.6	0.7
Moderate	0	0.0	9.1	0	0.0	8.7	0	0.0	7.7	0	0.0	5.8	8.5
Middle	1	50.0	59.1	160	85.6	56.4	10	76.9	73.9	435	73.1	76.0	71.1
Upper	1	50.0	31.8	27	14.4	34.9	3	23.1	17.6	160	26.9	17.6	19.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>167</b>	<b>100.0</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>595</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	7.7	0	0.0	0.5	26.2
Moderate	0	0.0	12.5	0	0.0	9.9	0	0.0	7.7	0	0.0	13.9	13.5
Middle	1	100.0	56.3	800	100.0	75.0	0	0.0	46.2	0	0.0	78.1	44.1
Upper	0	0.0	31.3	0	0.0	15.1	0	0.0	38.5	0	0.0	7.5	16.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>800</b>	<b>100.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	1.9	0	0.0	1.5	0.7
Moderate	5	4.5	8.3	530	3.0	7.0	7	5.4	9.0	946	4.3	6.8	8.5
Middle	84	76.4	67.3	13,369	74.7	64.2	99	76.7	69.7	15,943	71.8	68.8	71.1
Upper	21	19.1	24.4	3,989	22.3	28.7	23	17.8	19.5	5,327	24.0	22.8	19.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>110</b>	<b>100.0</b>	<b>100.0</b>	<b>17,888</b>	<b>100.0</b>	<b>100.0</b>	<b>129</b>	<b>100.0</b>	<b>100.0</b>	<b>22,216</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Business

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Kingsport-Bristol, VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	3.5	0	0.0	6.7	4.9
Moderate	5	4.3	8.7	789	11.0	7.0	1	1.7	7.4	35	0.6	7.8	7.7
Middle	84	72.4	64.6	3,627	50.7	69.1	45	75.0	66.2	5,001	88.9	64.5	62.8
Upper	27	23.3	25.5	2,734	38.2	23.7	14	23.3	22.0	589	10.5	20.9	24.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Trace	0	0.0	1.1	0	0.0	0.1	0	0.0	0.9	0	0.0	0.1	
<b>Total</b>	<b>116</b>	<b>100.0</b>	<b>100.0</b>	<b>7,150</b>	<b>100.0</b>	<b>100.0</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>5,625</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Small Farm

Distribution of 2021 and 2022 Small Farm Lending By Income Level of Geography													
Assessment Area: Kingsport-Bristol, VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Farms %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.6	0	0.0	2.7	1	4.0	5.0	11	1.3	8.0	3.9
Middle	89	93.7	83.2	1,626	90.5	77.6	23	92.0	82.3	800	97.0	81.6	78.9
Upper	6	6.3	16.2	171	9.5	19.7	1	4.0	12.8	14	1.7	10.4	17.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Trace	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>95</b>	<b>100.0</b>	<b>100.0</b>	<b>1,797</b>	<b>100.0</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>100.0</b>	<b>825</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Lending to Borrower of Different Incomes and Businesses of Different Sizes:**

HMDA

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Kingsport-Bristol, VA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#	%	\$(000)	%	#	%	#	%	\$(000)	%	
<b>Home Purchase Loans</b>													
Low	10	16.7	6.8	637	6.2	3.5	6	11.1	7.1	473	4.2	3.4	20.0
Moderate	10	16.7	21.9	1054	10.3	15.4	7	13.0	20.1	668	6.0	13.6	18.5
Middle	14	23.3	22.9	2,360	23.0	21.0	17	31.5	22.8	2,566	22.9	19.8	20.0
Upper	25	41.7	36.5	6,135	59.7	48.6	22	40.7	35.9	7,240	64.6	48.4	41.5
Unknown	1	1.7	12.0	94	0.9	11.5	2	3.7	14.1	269	2.4	14.9	0.0
<b>Total</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>10,280</b>	<b>100.0</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>100.0</b>	<b>11,216</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	5	11.9	6.1	315	5.1	3.2	4	8.2	13.9	340	3.9	8.3	20.0
Moderate	8	19.0	14.3	570	9.2	9.5	14	28.6	21.4	1,686	19.3	17.4	18.5
Middle	12	28.6	20.1	1,292	20.9	15.8	12	24.5	26.4	1,774	20.4	24.2	20.0
Upper	17	40.5	43.4	3,993	64.7	54.0	19	38.8	29.8	4,914	56.4	40.7	41.5
Unknown	0	0.0	16.2	0	0.0	17.4	0	0.0	8.6	0	0.0	9.4	0.0
<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>100.0</b>	<b>6,170</b>	<b>100.0</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>100.0</b>	<b>8,714</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	9.1	0	0.0	5.0	2	15.4	12.7	59	9.9	11.7	20.0
Moderate	1	50.0	18.2	160	85.6	15.3	5	38.5	23.2	262	44.0	17.1	18.5
Middle	0	0.0	21.6	0	0.0	14.4	2	15.4	17.6	97	16.3	17.0	20.0
Upper	1	50.0	42.0	27	14.4	46.3	4	30.8	43.0	177	29.7	47.9	41.5
Unknown	0	0.0	9.1	0	0.0	19.0	0	0.0	3.5	0	0.0	6.3	0.0
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>137</b>	<b>100.0</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>595</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													
Low	16	14.7	6.5	963	5.6	3.4	13	10.1	9.7	917	4.1	5.0	20.0
Moderate	20	18.3	18.1	1,914	11.2	12.7	28	21.7	21.0	2,782	12.5	14.9	18.5
Middle	28	25.7	21.6	3,812	22.3	18.5	35	27.1	23.3	4,794	21.6	20.7	20.0
Upper	44	40.4	39.6	10,305	60.3	50.9	51	39.5	34.4	13,454	60.6	46.3	41.5
Unknown	1	0.9	14.2	94	0.6	14.5	2	1.6	11.7	269	1.2	13.1	0.0
<b>Total</b>	<b>109</b>	<b>100.0</b>	<b>100.0</b>	<b>17,088</b>	<b>100.0</b>	<b>100.0</b>	<b>129</b>	<b>100.0</b>	<b>100.0</b>	<b>22,216</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Business

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Kingsport-Bristol, VA													
	Bank And Aggregate Loans By Year											Total Businesses %	
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank			Agg
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%		\$%
<b>By Revenue</b>													
\$1 Million or Less	103	88.8	43.8	5,198	72.7	40.0	50	83.3	55.4	3,547	63.1	51.2	91.6
Over \$1 Million	7	6.0		1,671	23.4		9	15.0		2,028	36.1		6.8
Revenue Unknown	6	5.2		281	3.9		1	1.7		50	0.9		1.6
<b>Total</b>	<b>116</b>	<b>100.0</b>		<b>7,150</b>	<b>100.0</b>		<b>60</b>	<b>100.0</b>		<b>5,625</b>	<b>100.0</b>		<b>100.0</b>
<b>By Loan Size</b>													
\$100,000 or Less	101	87.1	89.8	1,927	27.0	32.3	48	80.0	90.0	1,425	25.3	28.8	
\$100,001 - \$250,000	6	5.2	5.8	1,037	14.5	20.0	5	8.3	5.6	910	16.2	21.4	
\$250,001 - \$1 Million	9	7.8	4.4	4,186	58.5	47.7	7	11.7	4.5	3,290	58.5	49.8	
<b>Total</b>	<b>116</b>	<b>100.0</b>	<b>100.0</b>	<b>7,150</b>	<b>100.0</b>	<b>100.0</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>5,625</b>	<b>100.0</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>													
\$100,000 or Less	94	91.3		1,636	31.5		44	88.0		1,187	33.5		
\$100,001 - \$250,000	4	3.9		755	14.5		3	6.0		520	14.7		
\$250,001 - \$1 Million	5	4.9		2,807	54.0		3	6.0		1,840	51.9		
<b>Total</b>	<b>103</b>	<b>100.0</b>		<b>5,198</b>	<b>100.0</b>		<b>50</b>	<b>100.0</b>		<b>3,547</b>	<b>100.0</b>		
Source: 2022 FFIEC Census Data 2022 Dori & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													



Small Farm

Distribution of 2021 and 2022 Small Farm Lending By Revenue Size of Farms													
Assessment Area: Kingsport-Bristol, VA													
	Bank And Aggregate Loans By Year												Total Farms %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>By Revenue</b>													
\$1 Million or Less	95	100.0	49.1	1,797	100.0	67.0	24	96.0	73.8	819	99.3	83.8	96.1
Over \$1 Million	0	0.0		0	0.0		0	0.0		0	0.0		1.5
Revenue Unknown	0	0.0		0	0.0		1	4.0		6	0.7		2.5
<b>Total</b>	<b>95</b>	<b>100.0</b>		<b>1,797</b>	<b>100.0</b>		<b>25</b>	<b>100.0</b>		<b>825</b>	<b>100.0</b>		<b>100.0</b>
<b>By Loan Size</b>													
\$100,000 or Less	93	97.9	94.9	1,399	77.9	58.0	24	96.0	80.9	625	75.8	35.7	
\$100,001 - \$250,000	2	2.1	4.0	398	22.1	26.6	1	4.0	14.9	200	24.2	39.4	
\$250,001 - \$500,000	0	0.0	1.1	0	0.0	15.4	0	0.0	4.3	0	0.0	24.9	
<b>Total</b>	<b>95</b>	<b>100.0</b>	<b>100.0</b>	<b>1,797</b>	<b>100.0</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>100.0</b>	<b>825</b>	<b>100.0</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>													
\$100,000 or Less	93	97.9		1,399	77.9		23	95.8		619	75.6		
\$100,001 - \$250,000	2	2.1		398	22.1		1	4.2		200	24.4		
\$250,001 - \$500,000	0	0.0		0	0.0		0	0.0		0	0.0		
<b>Total</b>	<b>95</b>	<b>100.0</b>		<b>1,797</b>	<b>100.0</b>		<b>24</b>	<b>100.0</b>		<b>819</b>	<b>100.0</b>		

Source: 2022 FFIEC Census Data  
2022 Dun & Bradstreet Data  
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**CRA APPENDIX D**

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

The following table includes the distribution of branch offices, as well as loan and deposit volume in each assessment area. Branch information is current as of the evaluation date, and loan volume includes all HMDA, small business, and small farm loans considered in the evaluation. Deposit volume includes all bank deposits and is current as of June 30, 2023.

Assessment Area	HMDA/CRA Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Smyth County, VA NonMSA	1325	69.5%	\$ 108,388	64.0%	10	55.6%	\$ 387,626	80.8%
Kingsport-Bristol, VA	535	28.1%	\$ 55,501	32.8%	6	33.3%	\$ 82,116	17.1%
Johnson City, TN	46	2.4%	\$ 5,520	3.3%	1	5.6%	\$ 10,040	2.1%
Blacksburg-Christiansburg MSA 8/1/2023		0.0%	\$ -	0.0%	1	5.6%		0.0%
<b>TOTAL</b>	<b>1,906</b>	<b>100%</b>	<b>\$ 169,409</b>	<b>100%</b>	<b>18</b>	<b>100%</b>	<b>\$ 479,782</b>	<b>100%</b>

## CRA APPENDIX E

### 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.