



PUBLIC DISCLOSURE

August 15, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Benchmark Community Bank

Kenbridge, 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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94522

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

INSTITUTION'S CRA RATING: This institution is rated: SATISFACTORY.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting this rating include:

- The bank's loan to deposit ratio is considered reasonable given its size, financial condition, and credit needs of its assessment areas.
- A substantial majority of the institution's Home Mortgage Disclosure Act (HMDA) and small business loans considered in the evaluation were originated within the bank's assessment areas.
- Lending to borrowers of different incomes and businesses of different sizes is reasonable overall.
- The bank's geographic distribution of loans reflects reasonable dispersion throughout its assessment areas.
- The bank's community development performance demonstrates reasonable responsiveness to the community development needs of its assessment areas through the bank's involvement in community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities in bank's assessment areas.
- The institution has not received any complaints regarding its Community Reinvestment Act (CRA) performance since the previous evaluation.

SCOPE OF EXAMINATION

Benchmark Community Bank (BCB) was evaluated using the interagency evaluation procedures for intermediate small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with these procedures, residential mortgage loans reported by the institution in accordance with the HMDA during calendar years 2019, 2020, and 2021 (1,531 loans) were considered in the evaluation. Small business loans were also identified as a significant product line and considered in the evaluation. The analysis included the universe of small business loans (2,556) originated by the bank during 2019 and 2020. Small business loan data from 2021 was not included in the analysis because the 2021 aggregate CRA data is not available. Aggregate data can be an important element of performance context as aggregate lending took place in the same assessment area under the same economic conditions.

Qualified community development loans and services originated or performed since the previous evaluation (April 22, 2019) were also considered in the evaluation's Community Development Test. Additionally, all qualified investments made during this period, including those outstanding as of the date of this evaluation, regardless of when made, were also considered.

Currently, BCB serves three assessment areas located within the Commonwealth of Virginia and the State of North Carolina. Based upon location, relative market size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied to each of the following three assessment areas:

- Lunenburg, VA Non-Metropolitan Statistical Area (NonMSA)
- Raleigh, NC
- Henderson, NC NonMSA

Based on the bank's branch locations, an overall rating and ratings for the Lending and Community Development Tests are required for the institution, the Commonwealth of Virginia, and the State of North Carolina. The institution's overall rating is based on the ratings assigned to each state. These ratings are weighted primarily according to bank activity as measured by relative lending volume, amount of deposits, and the number of branches. Appendix D includes information detailing the lending volume, branch locations, and deposit volume by assessment area. In all cases, conclusions also take into consideration relevant performance context factors. When assigning the institution's overall rating, the bank's performance in Virginia is given the most weight, as a majority of the bank's loans, branches, and deposits are located within Virginia.

DESCRIPTION OF INSTITUTION

BCB is headquartered in Kenbridge, Virginia, and operates 16 full-service branches and one loan production office within Virginia and North Carolina. The bank is a wholly-owned subsidiary of Benchmark Bankshares, a single-bank holding company, also headquartered in Kenbridge, Virginia. This evaluation considers only the activities of the bank during the review period and does not include or consider the activities of any affiliates. The bank received a Satisfactory rating at its prior CRA evaluation dated April 22, 2019. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As of June 30, 2022, bank assets totaled \$1.1 billion, of which 67.6% were net loans and 14.5% were securities. Deposits totaled \$972 million during this same period. Various deposit and loan products are available through the institution including residential mortgage, business, and consumer purpose loans. The composition of the loan portfolio (reflecting gross loans) as of June 30, 2022, is depicted in the following table.

Composition of Loan Portfolio

Loan Type	6/30/2022	
	\$ (000s)	%
Secured by 1-4 Family dwellings	335,068	46.3
Multifamily	14,542	2.0
Construction and Development	124,787	17.2
Commercial & Industrial/ NonFarm NonResidential	193,958	26.8
Consumer Loans and Credit Cards	16,515	2.3
Agricultural Loans/ Farmland	21,330	2.9
All Other	17,294	2.4
Total	723,494	100.0

As indicated in the preceding table, BCB is an active residential mortgage and commercial/small business lender. Small business loans (i.e. business purpose loans of \$1 million or less) are a subset of Commercial & Industrial/NonFarm NonResidential loans. The bank offers other loans, such as consumer and agricultural loans; however, the volume of such lending is relatively small in comparison to the residential mortgage and business lending.

In April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP). This program was designed to allow workforces to remain employed and promote economic stability during the coronavirus (COVID-19) pandemic. While banks were not required to participate in the SBA's PPP lending program, BCB was an active participant having originated 1,642 PPP loans totaling approximately \$74.4 million. BCB's origination of PPP loans is an example of the bank being responsive to area credit needs.

The bank's operations are located in three assessment areas located in southern Virginia and northern and central North Carolina. The following table reflects the current composition of the bank's assessment areas.

Assessment Area Names	County or City	State	Census Tracts Included
Lunenburg, VA NonMSA	Brunswick County	VA	All
	Charlotte County	VA	All
	Greensville County	VA	All
	Halifax County	VA	All
	Lunenburg County	VA	All
	Mecklenburg County	VA	All
	Nottoway County	VA	All
	Prince Edward County	VA	All
	City of Emporia	VA	All
Raleigh, NC	Franklin County	NC	All
	Wake County	NC	All
Henderson, NC NonMSA	Vance County	NC	All

Since its previous evaluation in April 2019, BCB relocated two branch offices. The relocations took place in the Henderson, NC NonMSA and Lunenburg, VA NonMSA assessment areas. BCB also opened a loan production in the Raleigh, NC assessment area in March 2020. Opening of the loan production office did not cause any changes to the bank's existing Raleigh, NC assessment area. No other branching activity occurred since the prior evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

When evaluating the bank's performance, relevant area demographic data from the 2015 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. As such, when evaluating the bank's performance, relevant area demographic data is derived from both 2015 ACS and 2019 and 2020 Dun and Bradstreet (D&B) business data.

Aggregate HMDA data from 2019, 2020, and 2021 and aggregate small business data from 2019 and 2020 are also used as proxies for demand when evaluating the bank's residential and small business lending performance. The data includes all lenders subject to reporting such data within the bank's assessment areas. Because BCB is not subject to CRA data reporting, its small business lending activity is not included in the small business loan aggregate data. Also, aggregate small business loan data from 2021 could not be included in this evaluation because the data is not yet available.

While HMDA loan data from calendar years 2019, 2020, and 2021 and small business loans from 2019 and 2020 were fully analyzed and considered in the evaluation, the borrower and geographic distribution analysis discussion includes tables reflecting bank and aggregate lending for the year for which the most recent aggregate data is available (i.e. 2021 HMDA loans and 2020 small business loans). In instances when the performance differs from the performance noted in the table, the performance and corresponding impact on the overall performance are discussed. Appendix C includes borrower and geographic lending tables for the years not included in the discussion section.

During 2019, the bank reported a total of 419 HMDA loans totaling \$53.4 million and also originated 730 small business loans totaling \$56.5 million. During 2020 BCB reported 390 HMDA loans totaling \$55.5 million and 1,520 small business loans totaling \$96.8 million. Given these dollar volumes, the bank’s small business performance was weighted more heavily than its HMDA loan performance when considering the bank’s overall performance.

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

The bank is an active small business lender. During 2019 and 2020, the bank originated a large volume of small business loans without specifically relying on the borrower’s revenue. During 2020, many of the small business loans without borrower revenue resulted from the bank’s PPP lending, as the SBA’s PPP lending program did not require lenders to collect or consider borrower revenue. Because borrower revenue cannot be considered for a large portion of BCB’s 2019 and 2020 small business loans, the distribution by loan size was considered as an element of performance context for the small business loans without revenue information.

Loan-To-Deposit Ratio

As of June 30, 2022, BCB’s loan-to-deposit ratio equaled 73.8% and averaged 79.6% during the preceding 13-quarter period. In comparison, the average quarterly loan-to-deposit ratios for ten similarly situated institutions that operate in at least one of BCB’s assessment areas ranged from 39.6% to 99.3% during the same 13-quarter period. Since June 30, 2019, BCB’s assets, net loans, and deposits have increased by 51.1%, 34.7%, and 55.1% respectively. The bank’s loan-to-deposit ratio is considered reasonable given the institution’s size, financial condition, market conditions, and local credit needs.

Lending In Assessment Areas

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

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	519	73.0	80,557	66.5	192	27.0	40,593	33.5
Home Improvement	75	85.2	4,788	88.6	13	14.8	614	11.4
Refinancing	443	84.5	46,861	76.5	81	15.5	14,384	23.5
Multi-Family Housing	67	81.7	38,272	83.5	15	18.3	7,589	16.5
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	107	84.9	5,330	82.8	19	15.1	1,111	17.2
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
Total HMDA related	1,211	79.1	175,808	73.2	320	20.9	64,291	26.8
Small Business	2,250	88.0	153,223	87.9	306	12.0	21,151	12.1
TOTAL LOANS	3,461	84.7	329,031	79.4	626	15.3	85,442	20.6

As indicated in the preceding table, a substantial majority of the number and dollar amount of the bank's residential mortgage and small business loans were originated within its assessment areas.

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

Overall, the bank's borrower distribution performance (lending to low- and moderate- income borrowers and small businesses having annual revenues of \$ 1 million or less) is considered reasonable in the Commonwealth of Virginia and the State of North Carolina. The bank's performance, which varies by loan product and year is discussed in greater detail later in this evaluation.

Geographic Distribution of Loans

The bank's geographic distribution performance (lending in low- and moderate- income census tracts) is considered reasonable overall in the Commonwealth of Virginia and excellent in the State of North Carolina. The bank's overall geographic distribution performance is considered reasonable. In reaching this conclusion, more weight was placed on the bank's performance in the Commonwealth of Virginia because 65.4% of the bank's lending by dollar amount occurred in the Commonwealth of Virginia.

Community Development Loans, Investments, and Services

BCB supports community development initiatives within its assessment areas and larger statewide areas by extending community development loans, making qualified investments, and providing financial expertise to local organizations that provide services to low- and moderate-income residents and small businesses.

Qualified community development activities for the overall bank include the following.

- Two investments totaling approximately \$1.5 million¹,
- One community development loan totaling \$1 million,
- 141 donations totaling approximately \$57,000, and
- Nineteen bank employees providing financial expertise to 20 different community organizations.

The bank's community development performance within the Commonwealth of Virginia and the State of North Carolina is rated Satisfactory. The bank's overall community development performance is also rated Satisfactory. Details of community development activities are discussed in the assessment area where the activities took place.

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.

¹ Of this amount, \$1.3 million is invested in an equity fund that benefits BCB's assessment areas in Virginia and North Carolina. The remaining \$249,980 million of qualified investments benefit the Commonwealth of Virginia.

COMMONWEALTH OF VIRGINIA

CRA RATING FOR VIRGINIA: SATISFACTORY.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Major factors supporting the rating include:

- Lending to borrowers of different incomes and businesses of different sizes is reasonable overall in Virginia.
- The bank's geographic distribution of loans reflects reasonable dispersion throughout its Virginia assessment area.
- The bank's community development performance demonstrates reasonable responsiveness to the community development needs of its assessment area through the bank's involvement in community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities in bank's assessment area.

SCOPE OF EXAMINATION

HMDA loans reported by BCB during 2019, 2020, and 2021 and all small business loans originated during 2019 and 2020 were analyzed to determine the bank's performance regarding the borrower and geographic distribution of lending.

Qualified community development loans and services were also considered for activities since the previous evaluation (April 22, 2019). All qualified investments made during this time period, and those outstanding as of the evaluation, regardless of when made, were also considered.

The bank has delineated one assessment area (Lunenburg, VA NonMSA) in the Commonwealth of Virginia. Ratings for the Commonwealth of Virginia are based solely on the bank's performance in this assessment area.

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

The bank's assessment area is located in southern central Virginia and includes all of Lunenburg, Brunswick, Charlotte, Halifax, Greensville, Mecklenburg, Nottoway and Prince Edward counties and the City of Emporia. The bank operates 13 full-service branch offices within the assessment area. As of June 30, 2022, the bank ranked first out of 16 institutions in local deposit market share according to data compiled by the Federal Deposit Insurance Corporation (FDIC) and held 25% of the deposits within the assessment area (credit union deposits are not included).

According to ACS data from 2015, the assessment area had a population of 165,027 and a median housing value of \$116,286. The owner-occupancy rate equaled 53.2%, which was below the rates for the Commonwealth of Virginia (59.2%) and the nonmetropolitan areas of the commonwealth (57.8%). Within the assessment area, 15.9% of families were considered below the poverty level, which is significantly greater than the percentage of such families in the Commonwealth of Virginia (8.2%), but similar to nonmetropolitan areas of the commonwealth (13.3%). In 2019, the median family income for nonmetropolitan areas within Virginia equaled \$56,100 and increased to \$58,100 in 2020 and \$58,900 in 2021. The following table includes relevant demographic data for the assessment area.

Assessment Area Demographics

Lunenburg, VA NonMSA								
<i>(Based on 2015 ACS Data and 2020 D&B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	9,941	24.9
Moderate	7	16.3	7,381	18.5	1,530	20.7	7,061	17.7
Middle	31	72.1	31,601	79.3	4,637	14.7	8,461	21.2
Upper	1	2.3	853	2.2	158	18.5	14,387	36.2
NA	4	9.3	15	0.0	0	0.0		
Total	43	100.0	39,850	100.0	6,325	15.9	39,850	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	17,051	28.0
Moderate	7,428	17.5	10,757	17.7	2,733	25.4	10,366	17.0
Middle	34,039	80.1	48,996	80.5	9,524	19.4	10,144	16.7
Upper	1,034	2.4	1,097	1.8	214	19.5	23,319	38.3
NA	8	0.0	30	0.0	0	0.0		
Total	42,509	100.0	60,880	100.0	12,471	20.5	60,880	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	914	15.5	847	15.6	49	13.0	18	19.4
Middle	4,889	82.9	4,492	82.8	323	85.4	74	79.6
Upper	64	1.1	59	1.1	4	1.1	1	1.0
NA	28	0.5	26	0.5	2	0.5	0	0.0
Total	5,895	100.0	5,424	100.0	378	100.0	93	100.0
	Percentage of Total Businesses:			92.0		6.4		1.6

*NA-Tracts without household or family income as applicable

According to data published by the FFIEC, 16 middle-income census tracts in the Lunenburg, VA NonMSA assessment area were designated as either distressed because of high levels of poverty or underserved during 2021. Specifically, three tracts in Brunswick County, one tract in Greenville County, two tracts in Nottoway County, four tracts in Prince Edward County, and one tract in the City of

Emporia were designated as distressed because of high levels of poverty. Additionally, two tracts in Charlotte County and three tracts in Lunenburg County were designated as underserved. The underserved designation indicates that the local community may not have access to routine community services.

Employment opportunities exist in a variety of industries, including education, health services, retail, and local government. Major employers include local government, area school systems, correctional facilities (Lunenburg and Greensville Correctional Centers), academic institutions (Southside Virginia Community College, Hampden-Sydney College, and Longwood University), health care facilities (Sentara Healthcare, Virginia Center for Behavioral Rehabilitation, MCV Hospital, and Centra Health), Walmart stores, Dolgencorp (Dollar General), Georgia Pacific Wood Products, Boars Head Provisions Company, and the U.S. Department of Defense (Fort Pickett). Recent and historical unemployment rates since the previous evaluation are included in the following table.

Geographic Area	July 2019	July 2020	July 2021	July 2022
Brunswick County	4.5%	11.1%	6.6%	4.7%
Charlotte County	3.8%	7.4%	4.3%	2.7%
Greensville County	3.4%	9.4%	4.7%	3.2%
Halifax County	4.4%	9.2%	5.2%	3.8%
Lunenburg County	3.4%	6.8%	4.1%	3.3%
Mecklenburg County	4.2%	8.8%	5%	3.3%
Nottoway County	2.8%	6.9%	3.7%	3%
Prince Edward County	4.5%	9%	5.3%	3.8%
City of Emporia	5.1%	16.3%	7.4%	5.1%
Commonwealth of Virginia	2.9%	8.7%	4.2%	2.9%

As indicated in the table, area unemployment rates increased sharply during 2020. This increase is primarily attributed to the pandemic’s effect on the local economy. Since 2020, area unemployment rates have declined as the local economy has recovered.

An affordable housing official was contacted recently to discuss local economic conditions and community credit needs. The contact stated that the local area would benefit from more affordable housing and access to programs providing homebuyer assistance. The individual contacted also mentioned that the area’s economy would benefit from additional financial education opportunities. While noting such areas of opportunity, the contact indicated that area financial institutions are reasonably serving the banking needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

During 2019, the bank originated 308 HMDA loans totaling \$37.8 million and 599 small business loans totaling \$40 million within this assessment area. During 2020, 237 HMDA loans totaling \$29.6 million and 1,117 small business loans totaling \$62.1 million were originated by BCB. As such, small business lending generally receives greater weight in determining the bank's overall performance within the Lunenburg, VA NonMSA assessment area.

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

BCB's residential mortgage (HMDA) and small business lending performances are both considered reasonable within the Lunenburg, VA NonMSA assessment area.

Distribution of HMDA Loans by Income Level of Borrower

Lunenburg, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	13	6.3	555	1.9	487	8.8	32,631	4.3
Moderate	44	21.4	3,408	11.8	1,142	20.7	105,608	13.9
Middle	36	17.5	3,002	10.4	1,440	26.1	170,842	22.5
Upper	113	54.8	21,942	75.9	2,457	44.4	451,134	59.3
Total	206	100.0	28,907	100.0	5,526	100.0	760,215	100.0
Unknown	81		11,968		856		168,642	

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

During 2021, BCB's level of lending to low-income borrowers (6.3%) lagged the percentage of area low-income families (24.9%) and the aggregate level of lending to such borrowers (8.8%). However, the bank's lending to moderate-income borrowers (21.4%) exceeded the percentage of moderate-income families in the area (17.7%) and the aggregate level of lending (20.7%). Overall, the bank's performance during 2021 is considered reasonable, and its performance during 2019 and 2020 is similar.

Distribution of Lending by Loan Amount and Size of Business

Lunenburg, VA NonMSA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	201	18.0	10,325	16.6	725	39.4	26,937	28.7
Over \$1 Million	80	7.2	14,812	23.8	NA	NA	NA	NA
Unknown	836	74.8	36,994	59.6	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	961	86.0	25,981	41.8	1,644	89.4	35,680	38.0
\$100,001-\$250,000	114	10.2	18,322	29.5	109	5.9	17,521	18.6
\$250,001-\$1 Million	42	3.8	17,828	28.7	86	4.7	40,761	43.4
Total	1,117	100.0	62,131	100.0	1,839	100.0	93,962	100.0

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

D&B data from 2020 indicates that 92% of all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans considered in the evaluation, 18% were to businesses with revenues of \$1 million or less. The percentage of BCB's small business loans extended to businesses with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (74.8%), which included most of the bank's PPP loans.

Although BCB does not collect or report its small business loan data, aggregate small business data was also considered as an element of performance context in evaluating BCB's distribution by business revenue. During 2020, 39.4% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2020 aggregate small business loan data also includes an unknown volume of PPP, which limits its usefulness in evaluating BCB's performance.

BCB’s PPP loans and other small business loans with unknown revenue within this assessment area were also evaluated using loan size as a proxy for such loans where revenue was not known. The following table reflects this distribution.

Distribution of Small Business Loans with Unknown Revenue by Loan Size

Lunenburg, VA NonMSA (2020)				
Loan Size	#	%	\$ (000s)	%
\$100,000 or Less	752	90%	\$20,854	56.4%
>\$100,000 to \$250,000	70	8.4%	\$10,815	29.2%
>\$250,000 to \$1,000,000	14	1.7%	\$5,325	14.4%
Total	836	100%	\$36,994	100%

Within the Lunenburg, VA NonMSA assessment area, a large majority (90%) of small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area. In addition, when borrower revenues were known (281 loans), a majority of BCB’s small business loans (71.5%) were to businesses with annual revenues of \$1 million or less (201 loans). The bank’s performance is considered reasonable and its performance in 2019 is similar.

Geographic Distribution of Loans

Despite its large geographic size, the Lunenburg, VA NonMSA assessment area does not contain any low-income census tracts. The bank’s geographic distribution performance is considered reasonable for both HMDA and small business lending.

Distribution of HMDA Loans by Income Level of Census Tract

Lunenburg, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(138)				(3,911)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	17	12.3	1,267	6.1	636	16.3	73,114	12.0
Middle	121	87.7	19,619	93.9	2,160	55.2	327,022	53.7
Upper	0	0.0	0	0.0	1,115	28.5	208,501	34.3
	(126)				(1,965)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	18	14.3	1,821	12.8	302	15.4	37,671	14.6
Middle	107	84.9	12,370	86.9	1,090	55.5	138,146	53.5
Upper	1	0.8	40	0.3	573	29.1	82,557	31.9
	(15)				(465)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	67	14.4	3,303	13.2
Middle	14	93.3	517	98.7	267	57.4	14,433	57.8
Upper	1	6.7	7	1.3	131	28.2	7,235	29.0
	(8)				(41)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	3	37.5	1,852	35.4	7	17.1	2,735	7.4
Middle	5	62.5	3,382	64.6	24	58.5	11,410	30.9
Upper	0	0.0	0	0.0	10	24.4	22,730	61.7
	HMDA Totals							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	38	13.2	4,940	12.1	1,012	15.9	116,823	12.6
Middle	247	86.1	35,888	87.8	3,541	55.5	491,011	52.9
Upper	2	0.7	47	0.1	1,829	28.6	321,023	34.5
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	287	100.0	40,875	100.0	6,382	100.0	928,857	100.0

NA*-Tracts without household or family income as applicable

During 2021, home purchase and refinance loans were extended most frequently by the bank and aggregate lenders in the assessment area. Within the assessment area, 17.5% of owner-occupied housing units and 15.9% of multifamily housing units are located in the moderate-income census tracts. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase and refinance lending is considered reasonable, while its home improvement loan performance is very poor and multi-family lending is excellent. Given the comparatively small volume of home improvement and multi-family lending within the assessment area, BCB's performance associated with these loan types was given less weight than its home purchase and refinance performance when considering overall performance.

On a combined loan product basis, BCB's lending in moderate-income census tracts (13.2%) lagged the percentage of owner-occupied housing units located in such census tracts (17.5%) and the level of aggregate lending in such tracts (15.9%). The bank's performance during 2021 is considered reasonable, and its performance in 2019 and 2020 is similar.

Distribution of Small Business Loans by Income Level of Census Tract

Lunenburg, VA NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	117	10.5	7,774	12.5	277	15.3	13,365	14.4
Middle	990	88.6	54,259	87.3	1,513	83.6	78,786	85.1
Upper	9	0.8	95	0.2	18	1.0	400	0.4
NA*	1	0.1	3	0.0	2	0.1	63	0.1
Total	1,117	100.0	62,131	100.0	1,810	100.0	92,614	100.0

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

As previously indicated, there are no low-income census tracts located in the assessment area. During 2020, the bank's lending to small businesses located in moderate-income census tracts (10.5%) lagged the percentage of area businesses (15.5%) and the aggregate lending level (15.3%) in such census tracts. Nonetheless, the bank's performance is considered reasonable, and its performance is similar in 2019.

Community Development Loans, Investments, and Services

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

During the evaluation period, BCB participated in the following community development activities that benefit the Lunenburg, VA NonMSA assessment or larger statewide area.

- BCB originated one (1) community development loan totaling approximately \$1 million that aided in the retention of jobs that primarily benefit low- and moderate-income people.
- A \$249,980 investment in a community development financial institution (CDFI) that funds community development lending throughout the Commonwealth of Virginia.
- The bank made 126 donations totaling \$42,600 to organizations providing qualified community development services in the assessment area during the review period.

BCB and its employees volunteered their time and provided financial expertise to the following organizations that provide community development services targeted to area low- and moderate-income people, revitalize and stabilize low- and moderate-income and underserved middle-income areas, and economic development.

Affordable Housing
Habitat for Humanity

Economic Development and Revitalization
Chase City Chamber of Commerce
Downtown Blackstone, Inc.
Farmville Area Chamber of Commerce
Halifax Industrial Development Authority
Mecklenburg County Business Education Partnership
Meherrin Volunteer Fire and Rescue
South Hill Revitalization Committee
Washbucket Initiative

Social Services

Farmers to Families Food Boxes

Farmville Knights of Columbus

Lunenburg Health Service

Lunenburg Health Services

Kenbridge Elementary Parent Teacher Organization

Lunenburg Health Services

Lunenburg County Ministries

Lunenburg County Social Services

Piedmont Senior Resources

Southside Virginia Community College Foundation

Board

UMFS Foster Care Service

Overall, the bank's community development activities demonstrate an adequate level of responsiveness to the local community's needs when considering the institution's capacity and limited opportunities available within the assessment area.

STATE OF NORTH CAROLINA

CRA RATING FOR NORTH CAROLINA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Major factors supporting the rating include:

- Lending to borrowers of different incomes and businesses of different sizes is reasonable overall in North Carolina.
- The bank's geographic distribution of loans reflects reasonable dispersion throughout its assessment areas in North Carolina.
- The bank's community development performance demonstrates reasonable responsiveness to the community development needs of its assessment areas through the bank's involvement in community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities in bank's assessment areas.

SCOPE OF EXAMINATION

HMDA loans reported by BCB during 2019, 2020, and 2021 and all small business loans originated during 2019 and 2020 were analyzed to determine the bank's performance regarding the borrower and geographic distribution of lending. Qualified community development loans and services were also considered for activities since the previous evaluation (April 22, 2019). All qualified investments made during this time period, and those outstanding as of the evaluation, regardless of when made, were also considered.

The bank has delineated two assessment areas in the State of North Carolina:

- Raleigh, NC
- Henderson, NC NonMSA

On a combined basis, the assessment areas in the State of North Carolina account for 34.6% of the bank's overall lending (dollar volume), 18.7% of branches, and 8.2% of the deposit volume. Information about loan volume, branches, and deposits are included in Appendix D of this report.

Based upon relative size and concentration of banking activities, the Raleigh, NC and the Henderson, NC NonMSA assessment areas were both identified as the bank's primary markets within North Carolina and were reviewed utilizing the FFIEC's full-scope evaluation procedures. The bank's performance ratings within North Carolina are based on its performance in these two assessment areas.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTH CAROLINA

The institution operates three branches within two assessment areas in the state. The assessment areas are contiguous and are located in northern central North Carolina. Within its combined North Carolina assessment areas, BCB ranked 24th out of 37 institutions in local deposit market share by having .2% of the assessment area's available FDIC insured deposits, as of June 30, 2022.

Based on 2015 ACS data, the North Carolina assessment areas have a combined population of 1.1 million, including 270,882 families. A majority of the families are middle-and upper-income (62.3%), while low-and moderate-income families comprise 21.1% and 16.6% of the total, respectively. Within these assessment areas, the owner-occupancy rate equals 59.6%, and 8.5% of families live below the poverty level.

The following table includes area median family incomes during the evaluation period.

	Median Family Income		
	2019	2020	2021
Raleigh, NC MSA	\$93,100	\$94,100	\$95,700
Nonmetropolitan North Carolina	\$51,600	\$53,700	\$55,300

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH CAROLINA:

When considering the overall statewide ratings, the two assessment areas subject to full-scope review were generally weighted based on the dollar volume of lending. Accordingly, more weight was given to BCB’s performance in the Raleigh, NC assessment area, as it accounts for the larger dollar volume of lending within North Carolina. Appendix D includes loan volume, number of branches, and deposit account volume by assessment area and state.

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

From a borrower distribution performance perspective, the bank’s HMDA lending distribution performance varies from very poor to reasonable and is considered poor overall in the full-scope assessment areas. Within the bank’s North Carolina assessment areas, a large portion of the bank’s residential mortgage (HMDA) loans were extended to businesses or for business purposes (e.g. rental property). Because businesses do not report income, the distribution of HMDA loans to borrowers of different income levels within the North Carolina assessment areas is based on a relatively small number of HMDA loans (i.e. those that have reported income). The bank’s small business lending performance is reasonable overall.

BCB’s overall borrower distribution performance is considered reasonable in North Carolina, as greater weight was placed on the bank’s small business lending performance because of the larger dollar volume of lending and because relatively few HMDA loans could be evaluated because a large portion were for business purposes.

Geographic Distribution of Loans

BCB’s HMDA geographic distribution performance is considered excellent in both of its assessment areas. While BCB’s small business geographic distribution performance varies from reasonable to excellent, it is considered excellent overall.

Community Development Loans, Investments, and Services

BCB supports community development initiatives and organizations that benefit its North Carolina assessment areas by making qualified investments and providing financial expertise and other support to local organizations providing community development services. While the bank’s small number of staff employees working in the assessment area may limit the number of community service activities that the bank can support, the bank faces no constraints in providing community development loans or investments.

As previously mentioned, BCB has invested \$1.3 million in an equity fund that supports community development activity in a multistate area that includes North Carolina. During the evaluation period, BCB participated in the following community development activities that specifically benefit the North Carolina assessment areas.

- The bank made 15 donations totaling \$14,317 to organizations providing qualified community development services in the North Carolina assessment areas.
- Two bank employees providing financial expertise to two different community organizations.

The bank’s community development performance within North Carolina is rated Satisfactory and is discussed in detail in the respective North Carolina assessment areas.

METROPOLITAN AREAS

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

DESCRIPTION OF INSTITUTION'S OPERATIONS IN RALEIGH, NC ASSESSMENT AREA.

BCB's Raleigh, NC assessment area includes the counties of Franklin and Wake, North Carolina which are part of the larger Raleigh, NC MSA. The bank currently operates two branch offices and one loan production office in this assessment area. The loan production office was opened in March 2020 in a moderate-income tract. The bank ranks 30th out of 37 financial institutions in deposit market share having <.1% of the area's available FDIC insured deposits as of June 30, 2022.

According to the updated 2015 ACS data, the assessment area has a population of 1,038,315 and a median housing value of \$226,263. The owner-occupancy rate for the market equals 60%, which is higher in comparison to the state's overall rate of 55.7%, but comparable to the larger MSA (60.4%). The percentage of area families living below the poverty level in the assessment area (8.1%) is similar to the MSA's rate (8.6%) and significantly lower than the state's overall rate (12.8%). In 2019, the Raleigh, NC MSA median family income equaled \$93,100 and increased to \$94,100 in 2020 and \$95,700 in 2021. The following table includes relevant demographic data for the 2021 assessment area.

Assessment Area Demographics

Raleigh-Cary NC (Based on 2015 ACS Data and 2020 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	15	7.5	13,044	5.0	3,527	27.0	54,490	20.9
Moderate	42	21.1	58,625	22.5	8,676	14.8	43,060	16.5
Middle	60	30.2	86,066	33.0	5,941	6.9	49,114	18.9
Upper	79	39.7	102,616	39.5	3,005	2.9	113,755	43.7
NA	3	1.5	68	0.0	0	0.0		
Total	199	100.0	260,419	100.0	21,149	8.1	260,419	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	7,738	3.1	24,106	6.2	6,567	27.2	85,139	21.9
Moderate	52,738	21.0	93,645	24.1	14,899	15.9	64,920	16.7
Middle	86,997	34.6	129,150	33.3	11,573	9.0	69,047	17.8
Upper	104,083	41.3	141,164	36.4	6,407	4.5	169,069	43.6
NA	51	0.0	110	0.0	14	12.7		
Total	251,607	100.0	388,175	100.0	39,460	10.2	388,175	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	2,970	4.6	2,656	4.4	293	7.2	21	3.5
Moderate	13,249	20.5	12,216	20.4	934	22.8	99	16.3
Middle	21,446	33.2	19,888	33.2	1,377	33.6	181	29.8
Upper	26,830	41.6	25,052	41.9	1,471	35.9	307	50.4
NA	78	0.1	58	0.1	20	0.5	0	0.0
Total	64,573	100.0	59,870	100.0	4,095	100.0	608	100.0
Percentage of Total Businesses:				92.7		6.3		1.0

*NA-Tracts without household or family income as applicable

The local economy is based on state and local government, education, health and social services, and manufacturing. Major employers include Wal-Mart stores, NC State University, Wake Med Health and NC Health, Wake and Franklin County public schools, SAS Institute (analytics software), and Novozymes North America (biopharmaceutical). Current and recent periodic unemployment rates are included in the following table.

Geographic Area	July 2019	July 2020	July 2021	July 2022
Franklin County, NC	4.3%	8.3%	5%	3.6%
Wake County, NC	3.7%	8.2%	4.2%	3%
Raleigh, NC MSA	3.7%	8.2%	4.3%	3.1%
State of North Carolina	4.2%	9.2%	5.1%	3.7%

As indicated in the table, area unemployment rates increased sharply during 2020. This increase is primarily attributed to the pandemic's effect on the local economy. Since 2020, area unemployment rates have declined as the local economy has recovered.

A local housing official was recently contacted to discuss area economic conditions and community credit needs. The contact stated that the local economy has seen significant growth, but there is a strain on affordable housing. There are opportunities for financial institutions to improve and provide financial literacy and first-time home buyer classes. However, the contact also indicated that area financial institutions are reasonably serving the banking needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

During 2019, the bank originated 27 HMDA loans totaling \$7.7 million and 71 small business loans total \$12.1 million within the assessment area. During 2020, 59 HMDA loans totaling \$13 million and 227 small business loans totaling \$19.9 million were originated. Accordingly, the small business lending performance is given more weight when considering the bank’s combined product performance.

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

While BCB's borrower distribution performance is considered poor for HMDA lending, it is based on a limited number of loans where borrower incomes were known. The small business lending performance is reasonable. BCB’s overall performance is considered reasonable. In reaching this conclusion, more weight was placed on the small business lending performance because of the larger dollar volume of lending within the assessment area during 2019 and 2020.

Distribution of HMDA Loans by Income Level of Borrower

Raleigh-Cary, NC (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	HMDA Totals							
Low	0	0.0	0	0.0	5,355	6.9	872,071	3.8
Moderate	1	9.1	192	4.8	14,375	18.5	3,188,336	13.8
Middle	6	54.5	1,911	47.7	18,885	24.2	5,150,930	22.3
Upper	4	36.4	1,901	47.5	39,274	50.4	13,871,677	60.1
Total	11	100.0	4,004	100.0	77,889	100.0	23,083,014	100.0
Unknown	26		7,298		13,261		5,151,979	

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

As indicated in the table, borrower income was not known for 70.3% (26 of 37 loans) of HMDA loans reported by BCB in this assessment area during 2021. The loans for which borrower income was unknown were all loans to businesses for rental properties. According to HMDA data reporting rules, borrower income for non-natural persons is reported as unknown. The bank’s borrower distribution performance was determined after excluding the loans for which borrower income was unknown.

Within the assessment area, 20.9% of families are low-income, and 6.9% of the aggregate reported loans were to low-income borrowers. While the demographic and aggregate data demonstrate that opportunities exist to lend to low-income borrowers, none of the bank’s reported HMDA loans were to low-income borrowers. Similarly, 16.5% of families are moderate-income, and 18.5% of the aggregate reported loans were to moderate-income borrowers. The bank’s lending to moderate-income borrowers (9.1%) lagged the demographic and aggregate proxies for demand. BCB’s lending to low- and moderate-income borrowers during 2021 is considered poor.

During 2020, the bank originated 19 HMDA loans totaling \$3.8 million within the assessment area where borrower incomes were known. Of these loans, two (10.5%) totaling \$103,000 (2.7%) were originated to low-income borrowers, and three (15.8%) totaling \$429,000 (11.3%) were originated to moderate-income borrowers. Within the assessment area, 20.9% and 16.5% of families are considered low- and moderate-income, respectively. Aggregate lenders extended 6.5% and 18% to low- and moderate-income borrowers, respectively. BCB’s lending to low- and moderate-income borrowers approximates the proxies used for demand, and its performance is considered reasonable during 2020.

During 2019, the bank originated ten HMDA loans totaling \$3.2 million within the assessment area where borrower incomes were known. Of these loans, none were to a low- or moderate-income borrower. However, demographic data indicates that opportunities exist to make loans to low- and moderate-income borrowers as 20.9% and 16.5% of area families are low- and moderate-income, respectively. Similarly, aggregate reporters extended 8.3% and 20.6% of their loans to low- and moderate-income borrowers, respectively. BCB's lending to low- and moderate-income borrowers during 2019 is considered very poor.

BCB's lending performance varied during the three years of data included in the evaluation. From a performance context perspective, the bank is not a large HMDA lender in this assessment area and large portion of its loans cannot be analyzed for borrower distribution performance because the loans are to business borrowers. Nonetheless, when considering the bank's performance during the 2019 – 2021 period, BCB's overall HMDA borrower distribution performance is considered poor.

Distribution of Lending by Loan Amount and Size of Business

Raleigh-Cary NC (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	92	40.5	7,942	40.0	15,096	42.4	616,172	29.0
Over \$1 Million	26	11.5	3,967	20.0	NA	NA	NA	NA
Unknown	109	48.0	7,967	40.0	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	183	80.6	4,462	22.4	30,936	86.9	675,925	31.8
\$100,001-\$250,000	23	10.1	3,482	17.5	2,630	7.4	428,784	20.2
\$250,001-\$1 Million	21	9.3	11,932	60.1	2,034	5.7	1,022,070	48.0
Total	227	100.0	19,876	100.0	35,600	100.0	2,126,779	100.0

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

D&B data from 2020 indicates that 92.7% of all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans considered in the evaluation, 40.5% were to businesses with revenues of \$1 million or less. The percentage of BCB's small business loans extended to businesses with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (48%), which included most of the bank's PPP loans.

Although BCB does not report its small business loan data, aggregate small business data was also considered as an element of performance context in evaluating BCB's distribution by business revenue. During 2020, 42.4% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2020 aggregate small business loan data also includes an unknown volume of PPP, which limits its usefulness in evaluating BCB's performance.

BCB’s small business loans for which revenue information was not known were also evaluated using loan size as a proxy for such loans where revenue was not known. The following table reflects this distribution.

Distribution of Small Business Loans with Unknown Revenue by Loan Size

Raleigh-Cary, NC (2020)				
Loan Size	#	%	\$ (000s)	%
\$100,000 or Less	89	81.7%	\$2,494	31.3%
>\$100,000 to \$250,000	13	11.9%	\$1,962	24.6%
>\$250,000 to \$1,000,000	7	6.4%	\$3,511	44.1%
Total	109	100%	\$7,967	100%

Within the Raleigh, NC assessment area, a large majority (81.7%) of loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area. In addition, when borrower revenues were known (118 loans), a majority of BCB’s small business loans (78%) were to businesses with annual revenues of \$1 million or less (92 loans). The bank’s performance is considered reasonable and its performance is similar in 2019.

Geographic Distribution of Loans

When considering the bank's performance by loan product, its geographic distribution performance is considered excellent for both HMDA and small businesses lending.

Distribution of HMDA Loans by Income Level of Census Tract

Raleigh-Cary, NC (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(18)				(31,930)			
Low	4	22.2	890	16.0	958	3.0	271,562	2.4
Moderate	3	16.7	582	10.4	6,448	20.2	1,746,207	15.5
Middle	10	55.6	3,450	61.9	11,425	35.8	3,631,951	32.2
Upper	1	5.5	652	11.7	13,098	41.0	5,637,029	49.9
	(15)				(55,234)			
Low	0	0.0	0	0.0	1,070	1.9	225,845	1.5
Moderate	13	86.7	2,543	79.0	8,602	15.6	1,782,471	11.5
Middle	2	13.3	677	21.0	18,798	34.0	4,667,975	30.2
Upper	0	0.0	0	0.0	26,764	48.5	8,776,854	56.8
	(2)				(3,874)			
Low	0	0.0	0	0.0	58	1.5	4,399	1.1
Moderate	0	0.0	0	0.0	557	14.4	40,410	10.1
Middle	2	100.0	999	100.0	1,222	31.5	105,257	26.2
Upper	0	0.0	0	0.0	2,037	52.6	251,281	62.6
	(2)				(110)			
Low	0	0.0	0	0.0	22	20.0	101,148	9.3
Moderate	2	100.0	1,509	100.0	29	26.4	219,983	20.1
Middle	0	0.0	0	0.0	38	34.5	348,185	31.9
Upper	0	0.0	0	0.0	21	19.1	423,427	38.7
	HMDA Totals							
Low	4	10.8	890	7.9	2,108	2.3	602,954	2.1
Moderate	18	48.6	4,634	41.0	15,636	17.2	3,789,071	13.4
Middle	14	37.8	5,126	45.4	31,483	34.5	8,753,368	31.0
Upper	1	2.8	652	5.7	41,920	46.0	15,088,591	53.5
NA *	0	0.0	0	0.0	3	0.0	1,009	0.0
Total	37	100.0	11,302	100.0	91,150	100.0	28,234,993	100.0

NA*-Tracts without household or family income as applicable

During 2021, home purchase and refinance loans were extended most frequently by the bank and aggregate lenders in the assessment area. Within the assessment area, 3.1% of owner-occupied housing units and 10.9% of multifamily housing units are located in low-income census tracts, and 21% of owner-occupied housing units and 25.5% of multifamily housing units are located in the moderate-income census tracts. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase and refinance lending is considered excellent. Although much smaller in overall volume, the geographic distribution performance of the bank's multi-family lending is also considered excellent, while its home improvement loan performance is very poor. Given the comparatively small volume of home improvement and multi-family lending within the assessment area, BCB's performance associated with these loan types was given less weight than its home purchase and refinance performance when considering overall performance.

On a combined loan product basis, BCB's lending in low-income census tracts (10.8%) substantially exceeded both the percentage of owner-occupied housing units located in low-income census tracts (3.1%) and the level of aggregate lending in such tracts (2.3%). The bank's level of lending in moderate-income census tracts (48.6%) was also significantly higher than the proportion of owner-occupied housing units located in moderate-income census tracts (21%), and the aggregate level of lending in such tracts (17.2%). BCB's geographic distribution of lending is considered excellent during 2021, and its performance during 2019 and 2020 is similar.

Distribution of Small Business Loans by Income Level of Census Tract

Raleigh-Cary NC (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	13	5.7	827	4.2	1,480	4.2	102,300	4.8
Moderate	63	27.8	4,722	23.8	6,809	19.2	404,805	19.1
Middle	108	47.6	11,017	55.4	11,739	33.1	734,630	34.7
Upper	43	18.9	3,310	16.6	15,389	43.4	870,724	41.1
NA*	0	0.0	0	0.0	35	0.1	6,359	0.3
Total	227	100.0	19,876	100.0	35,452	100.0	2,118,818	100.0

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

During 2020, BCB’s lending in low-income census tracts (5.7%) approximated the percentage of area businesses (4.6%) and the proportion of aggregate lending in such census tracts (4.2%). BCB’s small business lending in moderate-income census tracts (27.8%) substantially exceeded the percentage of area businesses 20.5% and proportion of aggregate lending in moderate-income census tracts (19.2%). The bank’s overall performance is considered excellent, in part, because of the strength of its lending performance in moderate-income census tracts. BCB’s lending performance in 2019 is substantially similar to its performance during 2020.

Community Development Loans, Investments, and Services

Overall, discussions with the community contact and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are reasonably available within the assessment area when considering performance context factors. The institution faces no significant constraints relative to its size or business strategy in making community development loans or investments; however, the limited number of employees in the bank’s two branches and one loan production office limit to some extent the number of community development services that area staff can support.

As previously mentioned, BCB has invested \$1.3 million in an equity fund that supports community development activity in a multistate area that includes North Carolina. During the evaluation period, BCB participated in the following community development activities that benefit the Raleigh, NC assessment area.

- The bank made nine donations totaling \$2,575 to organizations providing qualified community development services in the assessment area during the review period.
- A BCB employee provides financial expertise to The Greater Franklin County Chamber of Commerce by serving as the chair of its board of directors. The Chamber has a program specifically targeted to small business development and job creation within the assessment area.
- A BCB employee serves on the board of directors of the Community Outreach and Development Community Development Corporation which focuses on economic development and the provision of social services targeted to low- and moderate-income people and areas.

Overall, the bank’s community development activities demonstrate an adequate level of responsiveness to the local community’s needs when considering the institution’s capacity and available opportunities within the assessment area.

NONMETROPOLITAN STATEWIDE AREA

(If some or all of the assessment areas within the nonmetropolitan statewide area were reviewed using full-scope review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN HENDERSON, NC NONMSA ASSESSMENT AREA:

The Henderson, NC NonMSA includes all of Vance County, North Carolina. The bank operates one full-service branch office within the assessment area. As of June 30, 2022, the bank ranked fifth out of seven institutions in local deposit market share according to data compiled by the FDIC and held 9.3% of the deposits within the assessment area.

According to ACS data, the assessment area has a population of 44,829 and a median housing value of \$97,865. The owner-occupancy rate equals 52.1%, which is similar to the nonmetropolitan areas of the state (52.8%), but less than the State of North Carolina (55.7%). Within the assessment area, 18.6% of families are considered below the poverty level, which is similar to the rate for the nonmetropolitan areas of the state (16.3%) and higher than the rate for the state (12.8%). In 2019, the median family income for nonmetropolitan areas within North Carolina equaled \$51,600 and increased to \$53,700 in 2020 and \$55,300 in 2021. The following table includes relevant demographic data for the assessment area during 2021.

Assessment Area Demographics

Henderson, NC NonMSA <i>(Based on 2015 ACS Data and 2020 D&B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	10.0	845	8.1	394	46.6	2,525	24.1
Moderate	4	40.0	3,431	32.8	804	23.4	2,021	19.3
Middle	2	20.0	2,670	25.5	381	14.3	1,957	18.7
Upper	3	30.0	3,517	33.6	367	10.4	3,960	37.9
NA	0	0.0	0	0.0	0	0.0		
Total	10	100.0	10,463	100.0	1,946	18.6	10,463	100.0
	Owner Occupied Units by Tract		Households					
	#	%	HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
Low	370	3.6	1,389	8.4	680	49.0	4,824	29.1
Moderate	3,243	31.1	5,940	35.8	1,586	26.7	2,871	17.3
Middle	2,758	26.5	3,788	22.8	701	18.5	2,587	15.6
Upper	4,040	38.8	5,472	33.0	738	13.5	6,307	38.0
NA	0	0.0	0	0.0	0	0.0		
Total	10,411	100.0	16,589	100.0	3,705	22.3	16,589	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
	#	%	Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
Low	66	4.1	65	4.4	1	0.8	0	0.0
Moderate	718	44.9	655	44.7	57	47.1	6	42.9
Middle	254	15.9	235	16.1	15	12.4	4	28.6
Upper	561	35.1	509	34.8	48	39.7	4	28.5
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	1,599	100.0	1,464	100.0	121	100.0	14	100.0
Percentage of Total Businesses:				91.6		7.6		0.8

*NA-Tracts without household or family income as applicable

During 2019 and 2020, both middle-income census tracts located in Vance County were designated as being distressed. During 2019, the middle-income tracts were distressed because of comparatively high poverty rates, and during 2020, the distressed designation occurred because of high poverty and unemployment rates.

The assessment area benefits from employment opportunities in a variety of industries, including education, health services, retail, as well as local and state government. Major employers include local government, local school systems, Vance Granville Community College, Walmart stores, Variety Wholesalers, and Maria Parham Hospital. Current and recent periodic unemployment rates are included in the following table:

Geographic Area	July 2019	July 2020	July 2021	July 2022
Vance County, NC	6.2%	13%	8.4%	6.4%
State of North Carolina	4.2%	9.2%	5.1%	3.7%

As indicated in the table, area unemployment rates increased sharply during 2020. This increase is primarily attributed to the pandemic’s effect on the local economy. Since 2020, area unemployment rates have declined as the local economy has recovered.

An area affordable housing official was contacted recently to discuss area economic conditions and community credit needs. The contact stated that the county struggles with retaining its workforce because of job opportunities in nearby metropolitan areas. The individual noted that local efforts focus on improving job skills training programs as part of an overall strategy to improve employment rates and local economic conditions. The contact indicated that area financial institutions are reasonably serving the banking needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank originated \$6.2 million in HMDA and \$4.4 million in small business loans within the assessment area during 2019 and \$11.2 million in HMDA and \$14.8 million in small business loans within the assessment area in 2020. While the volumes are similar over the two-year period, small business lending is given slightly more weight when considering overall performance conclusions because of the larger dollar volume of lending.

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

While the bank’s HMDA lending performance varies from very poor to reasonable, its HMDA borrower distribution performance is considered poor overall. The bank’s small business performance is considered reasonable. Overall, the combined performance is considered reasonable given the weight placed on the bank’s small business loan distribution performance because of its larger dollar volume of lending and recognition that most of the bank’s residential mortgage loans (HMDA) were to businesses and cannot be included in the borrower distribution analysis.

Distribution of HMDA Loans by Income Level of Borrower

Henderson, NC NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	1	6.3	75	2.3	27	3.2	2,809	1.8
Moderate	1	6.3	30	0.9	160	18.8	21,061	13.7
Middle	4	25.0	491	15.2	224	26.4	35,712	23.2
Upper	10	62.4	2,644	81.6	439	51.6	94,388	61.3
Total	16	100.0	3,240	100.0	850	100.0	153,970	100.0
Unknown	38		9,720		199		40,551	

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

As indicated in the table, borrower income was not known for a large portion of the loans (38 of 54 loans) reported in this assessment area during 2021. For the reported loans where borrower income was not known, each loan was either to a business entity or for a business purpose, such as rental property. While these business borrowers have revenue, they do not have income that can be reported under the regulation. The bank’s borrower distribution performance was determined after excluding the loans for which borrower income was unknown.

During 2021, BCB’s lending to low-income borrowers (6.3%) lagged the percentage of low-income families within the assessment area (24.1%) but exceeded the aggregate level of lending to such borrowers (3.2%). BCB’s lending to moderate-income borrowers (6.3%) also lagged the percentage of moderate-income families within the assessment area (19.3%) and the aggregate level of lending to such borrowers (18.8%). Overall performance is considered poor. In reaching this conclusion, more weight was placed on the bank’s moderate-income borrower performance because the aggregate data indicates that there are more opportunities to lend to moderate-income borrowers than low-income borrowers in the assessment area.

During 2019, the bank originated nine HMDA loans totaling \$1.4 million within the assessment area where borrower incomes were known. Of the nine loans, none were extended to low-income borrowers, while two (22.2%) totaling \$157,000 (11.4%) were extended to moderate-income borrowers. Within the assessment area, 24.1% and 19.3% of families are considered low- and moderate-income, respectively, while aggregate reporters extended 3.8% and 17.5% of HMDA loans to low- and moderate- income borrowers, respectively. BCB’s lending to low- and moderate-income borrowers is considered reasonable during 2019. In reaching this conclusion, more weight was placed on the bank’s moderate-income borrower performance than low-income borrower performance because the aggregate data indicates more opportunities to lend to moderate-income borrowers than low-income borrowers in the assessment area.

During 2020, the bank originated 23 HMDA loans totaling \$4.7 million within the assessment area, where borrower incomes were known. Of these loans, none were extended to low-income borrowers, while one (4.3%) equaling \$64,000 (1.4%) was extended to a moderate-income borrower. Within the assessment area, 24.1% and 19.3% of families are considered low- and moderate-income, respectively. Aggregate reporters extended 1.9% and 19% of HMDA loans to low- and moderate-income borrowers, respectively. Because BCB’s lending to low- and moderate-income borrowers substantially lagged the demographic and aggregate proxies for demand, its performance during 2020 is considered very poor.

When considering the strength of performance in conjunction with the dollar volume of lending from each year, the bank’s overall HMDA borrower distribution performance is considered poor.

Distribution of Lending by Loan Amount and Size of Business

Henderson, NC NonMSA (2020)								
<i>by Revenue</i>	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	56	31.8	3,278	22.2	226	39.0	11,476	30.1
Over \$1 Million	7	4.0	2,063	14.0	NA	NA	NA	NA
<i>Unknown</i>	<i>113</i>	<i>64.2</i>	<i>9,421</i>	<i>63.8</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>
<i>by Loan Size</i>								
\$100,000 or less	135	76.7	4,821	32.7	494	85.3	10,115	26.6
\$100,001-\$250,000	27	15.3	4,168	28.2	49	8.5	8,487	22.3
\$250,001-\$1 Million	14	8.0	5,773	39.1	36	6.2	19,470	51.1
Total	176	100.0	14,762	100.0	579	100.0	38,072	100.0

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

D&B data from 2020 indicates that 91.6% of all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans considered in the evaluation, 31.8% were to businesses with revenues of \$1 million or less. The percentage of BCB’s small business loans extended to businesses with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (64.2%), which included most of the bank’s PPP loans.

Although BCB does not report its small business loan data, aggregate small business data was also considered as an element of performance context in evaluating BCB’s distribution by business revenue. During 2020, 39% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2020 aggregate small business loan data also includes an unknown volume of PPP, which limits its usefulness in evaluating BCB’s performance.

BCB’s PPP loans included in the overall sample of small business loans within this assessment area were also evaluated using loan size as a proxy for such loans where revenue was not known. The following table reflects this distribution.

Distribution of Small Business Loans with Unknown Revenue by Loan Size

Henderson, NC NonMSA (2020)				
Loan Size	#	%	\$ (000s)	%
\$100,000 or Less	86	76.1%	\$3,306	35.1%
>\$100,000 to \$250,000	19	16.8%	\$2,898	30.8%
>\$250,000 to \$1,000,000	8	7.1%	\$3,217	34.1%
Total	113	100%	\$9,421	100%

Within the Henderson, NC NonMSA assessment area, a large majority (76.1%) of small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area. In addition, when borrower revenues were known (63 loans), a majority of BCB’s small business loans (88.9%) were to businesses with annual revenues of \$1 million or less (56 loans). The bank’s performance is considered reasonable during 2020, and BCB’s performance during 2019 is similar.

Geographic Distribution of Loans

The bank’s geographic distribution of HMDA lending is considered excellent, while the distribution of its small business lending is considered reasonable. While the bank’s small business performance was given more weight when considering BCB’s overall performance, BCB’s overall performance is considered excellent because of the strength of its HMDA geographic distribution performance.

Distribution of HMDA Loans by Income Level of Census Tract

Henderson, NC NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(17)				(499)			
Low	2	11.8	188	7.7	26	5.2	2,934	3.0
Moderate	5	29.4	373	15.2	101	20.2	15,034	15.4
Middle	3	17.6	815	33.3	137	27.5	30,497	31.2
Upper	7	41.2	1,073	43.8	235	47.1	49,188	50.4
	(19)				(502)			
Low	5	26.3	538	18.6	12	2.4	1,225	1.4
Moderate	9	47.4	1,207	41.7	97	19.3	13,110	15.0
Middle	3	15.8	590	20.4	143	28.5	26,653	30.5
Upper	2	10.5	560	19.3	250	49.8	46,360	53.1
	(2)				(32)			
Low	0	0.0	0	0.0	3	9.4	108	5.4
Moderate	0	0.0	0	0.0	6	18.8	273	13.7
Middle	2	100.0	83	100.0	15	46.9	1,003	50.5
Upper	0	0.0	0	0.0	8	24.9	603	30.4
	(16)				(16)			
Low	2	12.5	625	8.3	2	12.5	625	8.3
Moderate	10	62.5	5,758	76.4	10	62.5	5,758	76.4
Middle	2	12.5	550	7.3	2	12.5	550	7.3
Upper	2	12.5	600	8.0	2	12.5	600	8.0
	HMDA Totals							
Low	9	16.7	1,351	10.4	43	4.1	4,892	2.5
Moderate	24	44.4	7,338	56.6	214	20.4	34,175	17.6
Middle	10	18.5	2,038	15.7	297	28.3	58,703	30.2
Upper	11	20.4	2,233	17.3	495	47.2	96,751	49.7
NA *	0	0.0	0	0.0	0	0.0	0	0.0
Total	54	100.0	12,960	100.0	1,049	100.0	194,521	100.0

NA*-Tracts without household or family income as applicable

During 2021, home purchase and refinance loans were extended most frequently by the bank and aggregate lenders in the assessment area. Within the assessment area, 3.6% of owner-occupied housing units and 11.4% of multifamily housing units are located in low-income census tracts, and 31.1% of owner-occupied housing units and 38.6% of multifamily housing units are located in the moderate-income census tracts. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase and refinance lending is considered excellent.

BCB's lack of home improvement loans in area low- and moderate-income census tracts is very poor given that the aggregate data indicates that lending opportunities exist in such areas. Because BCB accounts for all of the multi-family loans reported in the aggregate data, BCB's multi-family lending was evaluated by comparing its percentage of lending in low- and moderate-income census tracts (12.5% and 62.5%, respectively) to the percentage of multi-family properties in low- (11.4%) and moderate-income census tracts (38.6%). The bank's multi-family lending performance is considered excellent primarily because of its lending level in moderate-income census tracts. Given the comparatively small volume of home improvement and multi-family lending within the assessment area, BCB's performance associated with these loan types was given less weight than its home purchase and refinance performance when considering overall performance.

On a combined loan product basis, BCB’s HMDA lending in low-income census tracts (16.7%) significantly exceeded both the percentage of owner-occupied housing units located in low-income tracts (3.6%) and the aggregate level of lending in such tracts (4.1%). The bank’s level of lending in moderate-income census tracts (44.4%) also substantially exceeded both the percentage of owner-occupied housing units located in moderate-income census tracts (31.1%) and the aggregate level of lending in such tracts (20.4%). Overall, BCB’s HMDA geographic distribution performance in 2021 is considered excellent, and its performance in 2019 and 2020 is substantially similar.

Distribution of Small Business Loans by Income Level of Census Tract

Henderson, NC NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	1	0.6	296	2.0	19	3.3	305	0.8
Moderate	97	55.1	8,108	54.9	250	43.5	17,817	46.9
Middle	39	22.2	2,725	18.5	102	17.7	6,612	17.4
Upper	39	22.1	3,633	24.6	204	35.5	13,264	34.9
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	176	100.0	14,762	100.0	575	100.0	37,998	100.0

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

During 2020, BCB originated one small business loan (.6%) in the single low-income census tract located in the assessment area. With only 4.1% of area businesses located in the low-income census tract and 3.3% of aggregate small business loans reported in this census tract, demand for such lending is somewhat limited. BCB’s lending in moderate-income census tracts (55.1%) substantially exceeds its lending in low-income census tracts and approximates the percentage of businesses located in moderate-income tracts (44.9%) and the aggregate lending level in such tracts (43.5%). The bank’s performance is considered reasonable for 2020 and its performance during 2019 is similar.

Community Development Loans, Investments, and Services

Overall, discussions with the community contact and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are limited within the assessment area when considering performance context factors. However, the institution faces no significant constraints relative to its size or business strategy in making community development loans or investments. The limited number of employees in the bank’s single branch office limit the number of community development services that area staff can support.

As previously mentioned, BCB has invested \$1.3 million in an equity fund that supports community development activity in a multistate area that includes North Carolina. During the evaluation period, BCB participated in the following community development activities that benefit the Henderson, NC NonMSA assessment area.

- The bank made six donations totaling \$11,742 to organizations providing qualified community development services in the assessment area during the review period.

Overall, the bank's community development activities demonstrate an adequate level of responsiveness to the local community's needs when considering the institution's capacity and available opportunities within the assessment area.

CRA APPENDIX A
SCOPE OF EXAMINATION

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED²	OTHER INFORMATION
Lunenburg, VA NonMSA	Full-scope	None	None
Raleigh, NC	Full-scope	None	None
Henderson, NC NonMSA	Full-scope	None	None

² 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 RATING

State or Multistate Metropolitan Area Name	Lending Test Rating	Community Development Test Rating	Overall Rating
Commonwealth of Virginia	Satisfactory	Satisfactory	Satisfactory
State of North Carolina	Satisfactory	Satisfactory	Satisfactory

CRA APPENDIX C

FULL-SCOPE REVIEW TABLES

Lunenburg, VA NonMSA Assessment Area

Borrower Distribution Tables

Distribution of HMDA Loans by Income Level of Borrower

Lunenburg, VA NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
HMDA Totals								
Low	21	8.2	1,004	3.9	164	7.2	11,518	3.4
Moderate	40	15.6	2,683	10.4	412	18.2	40,414	12.1
Middle	63	24.5	5,200	20.2	593	26.1	75,821	22.6
Upper	133	51.7	16,827	65.5	1,100	48.5	207,041	61.9
Total	257	100.0	25,714	100.0	2,269	100.0	334,794	100.0
Unknown	51		12,097		446		86,798	

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

Distribution of HMDA Loans by Income Level of Borrower

Lunenburg, VA NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
HMDA Totals								
Low	9	4.8	677	2.9	163	5.9	25,231	5.1
Moderate	30	16.1	2,497	10.6	501	18.1	56,268	11.4
Middle	40	21.5	3,304	14.0	611	22.0	85,593	17.4
Upper	107	57.6	17,158	72.5	1,498	54.0	325,180	66.1
Total	186	100.0	23,636	100.0	2,773	100.0	492,272	100.0
Unknown	51		5,937		707		136,774	

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

Distribution of Lending by Loan Amount and Size of Business

Lunenburg, VA NonMSA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
\$1 Million or Less	75	12.5	8,549	21.4	867	47.6	22,489	43.3
Over \$1 Million	73	12.2	13,925	34.8	NA	NA	NA	NA
Unknown	451	75.3	17,498	43.8	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	504	84.1	14,756	36.9	1,736	95.3	25,891	49.8
\$100,001-\$250,000	65	10.9	10,867	27.2	47	2.6	7,784	15.0
\$250,001-\$1 Million	30	5.0	14,349	35.9	38	2.1	18,322	35.2
Total	599	100.0	39,972	100.0	1,821	100.0	51,997	100.0

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

Distribution of Small Business Loans with Unknown Revenue by Loan Size

Lunenburg, VA NonMSA (2019)				
Loan Size	#	%	\$ (000s)	%
\$100,000 or Less	412	91.4%	\$10,455	59.7%
>\$100,000 to \$250,000	33	7.3%	\$5,080	29.0%
>\$250,000 to \$1,000,000	6	1.3%	\$1,963	11.2%
Total	451	100%	\$17,498	100%

Geographic Distribution Tables

Distribution of HMDA Loans by Income Level of Census Tract

Lunenburg, VA NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(132)				Home Purchase (1,508)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	11	8.3	662	4.2	164	10.9	18,427	7.8
Middle	119	90.2	14,782	93.3	1,306	86.8	211,479	89.6
Upper	2	1.5	406	2.5	35	2.3	6,005	2.6
	(135)				Refinance (1,062)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	18	13.3	1,076	9.1	115	10.8	11,431	7.1
Middle	116	85.9	10,658	90.1	933	87.9	148,210	91.7
Upper	1	0.8	99	0.8	14	1.3	1,966	1.2
	(32)				Home Improvement (129)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	9.4	174	8.5	18	14.0	840	10.1
Middle	29	90.6	1,878	91.5	109	84.5	7,307	87.9
Upper	0	0.0	0	0.0	2	1.5	165	2.0
	(9)				Multi-Family (14)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	11.1	800	9.9	1	7.1	800	5.7
Middle	8	88.9	7,276	90.1	13	92.9	13,326	94.3
Upper	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	33	10.7	2,712	7.2	298	11.0	31,498	7.5
Middle	272	88.3	34,594	91.5	2,361	87.0	380,322	90.2
Upper	3	1.0	505	1.3	51	1.9	8,136	1.9
NA*	0	0.0	0	0.0	5	0.1	1,636	0.4
Total	308	100.0	37,811	100.0	2,715	100.0	421,592	100.0

NA*-Tracts without household or family income as applicable

Distribution of HMDA Loans by Income Level of Census Tract

Lunenburg, VA NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(120) Home Purchase				(1,634)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	9	7.5	1,203	6.9	155	9.6	21,840	7.4
Middle	110	91.7	16,128	92.3	1,426	87.9	265,782	90.0
Upper	1	0.8	148	0.8	42	2.5	7,570	2.6
	(91) Refinance				(1,728)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	7	7.7	671	8.9	156	9.0	23,224	7.4
Middle	81	89.0	6,587	87.3	1,520	88.0	281,333	89.5
Upper	3	3.3	289	3.8	52	3.0	9,742	3.1
	(20) Home Improvement				(99)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	10.0	45	4.8	11	11.1	502	7.7
Middle	18	90.0	900	95.2	87	87.9	5,773	88.3
Upper	0	0.0	0	0.0	1	1.0	266	4.0
	(6) Multi-Family				(14)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	16.7	1,460	40.5	1	7.1	1,460	14.1
Middle	5	83.3	2,142	59.5	13	92.9	8,918	85.9
Upper	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	19	8.0	3,379	11.4	323	9.3	47,026	7.5
Middle	214	90.3	25,757	87.1	3,046	87.5	561,806	89.3
Upper	4	1.7	437	1.5	95	2.7	17,578	2.8
NA*	0	0.0	0	0.0	16	0.5	2,636	0.4
Total	237	100.0	29,573	100.0	3,480	100.0	629,046	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Lunenburg, VA NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	61	10.2	3,548	8.9	247	14.1	5,416	10.8
Middle	527	88.0	36,320	90.8	1,480	84.6	44,639	88.9
Upper	10	1.7	84	0.2	16	0.9	135	0.2
NA*	1	0.1	20	0.1	6	0.4	39	0.1
Total	599	100.0	39,972	100.0	1,749	100.0	50,229	100.0

*NA-Tracts without household or family income as applicable

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

Raleigh-Cary, NC Assessment Area

Borrower Distribution Tables

Distribution of HMDA Loans by Income Level of Borrower

Raleigh-Cary NC (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	0	0.0	0	0.0	3,906	8.3	575,117	4.6
Moderate	0	0.0	0	0.0	9,731	20.6	1,928,779	15.3
Middle	4	40.0	1,057	32.9	11,915	25.2	2,936,591	23.3
Upper	6	60.0	2,153	67.1	21,779	45.9	7,140,644	56.8
Total	10	100.0	3,210	100.0	47,331	100.0	12,581,131	100.0
Unknown	17		4,414		6,163		2,765,960	

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

Distribution of HMDA Loans by Income Level of Borrower

Raleigh-Cary NC (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	2	10.5	103	2.7	5,129	6.5	816,400	3.7
Moderate	3	15.8	429	11.3	14,160	18.0	3,034,150	13.7
Middle	5	26.3	930	24.4	19,076	24.2	4,990,885	22.5
Upper	9	47.4	2,349	61.6	40,373	51.3	13,374,124	60.1
Total	19	100.0	3,811	100.0	78,738	100.0	22,215,559	100.0
Unknown	40		9,167		11,362		4,027,843	

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

Distribution of Lending by Loan Amount and Size of Business

Raleigh-Cary NC (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	21	29.6	4,406	36.5	14,855	47.9	458,749	37.3
Over \$1 Million	22	31.0	4,822	39.9	NA	NA	NA	NA
Unknown	28	39.4	2,854	23.6	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	38	53.5	1,598	13.2	28,944	93.4	470,548	38.3
\$100,001-\$250,000	19	26.8	3,270	27.1	997	3.2	176,426	14.4
\$250,001-\$1 Million	14	19.7	7,214	59.7	1,062	3.4	582,230	47.3
Total	71	100.0	12,082	100.0	31,003	100.0	1,229,204	100.0

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

Distribution of Small Business Loans with Unknown Revenue by Loan Size

Raleigh-Cary, NC (2019)				
Loan Size	#	%	\$ (000s)	%
\$100,000 or Less	21	75.0%	\$697	24.4%
>\$100,000 to \$250,000	3	10.7%	\$433	15.2%
>\$250,000 to \$1,000,000	4	14.3%	\$1,724	60.4%
Total	28	100%	\$2,854	100%

Geographic Distribution Tables

Distribution of HMDA Loans by Income Level of Census Tract

Raleigh-Cary NC (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(21) Home Purchase				(29,755)			
Low	6	28.6	1,237	22.5	842	2.8	189,216	2.2
Moderate	8	38.1	2,417	43.9	5,645	19.0	1,228,743	14.2
Middle	5	23.8	1,150	20.9	10,795	36.3	2,814,713	32.5
Upper	2	9.5	704	12.7	12,471	41.9	4,428,321	51.1
	(5) Refinance				(20,506)			
Low	0	0.0	0	0.0	401	2.0	77,888	1.5
Moderate	3	60.0	941	68.3	3,440	16.8	643,239	12.0
Middle	1	20.0	176	12.8	6,989	34.1	1,597,388	29.9
Upper	1	20.0	261	18.9	9,676	47.1	3,029,156	56.6
	(0) Home Improvement				(3,139)			
Low	0	0.0	0	0.0	64	2.0	4,173	1.7
Moderate	0	0.0	0	0.0	476	15.2	28,480	11.5
Middle	0	0.0	0	0.0	1,080	34.4	71,022	28.6
Upper	0	0.0	0	0.0	1,519	48.4	144,275	58.2
	(1) Multi-Family				(94)			
Low	0	0.0	0	0.0	14	14.9	110,905	10.2
Moderate	1	100.0	738	100.0	32	34.0	247,058	22.7
Middle	0	0.0	0	0.0	29	30.9	370,145	34.0
Upper	0	0.0	0	0.0	19	20.2	361,878	33.1
	HMDA Totals							
Low	6	22.2	1,237	16.2	1,321	2.5	382,182	2.5
Moderate	12	44.4	4,096	53.7	9,593	17.9	2,147,520	14.0
Middle	6	22.2	1,326	17.4	18,893	35.3	4,853,268	31.6
Upper	3	11.2	965	12.7	23,685	44.3	7,963,630	51.9
NA*	0	0.0	0	0.0	2	0.0	491	0.0
Total	27	100.0	7,624	100.0	53,494	100.0	15,347,091	100.0

NA*-Tracts without household or family income as applicable

Distribution of HMDA Loans by Income Level of Census Tract

Raleigh-Cary NC (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(35) Home Purchase				(31,495)			
Low	8	22.9	1,471	22.4	780	2.5	176,214	1.8
Moderate	14	40.0	2,622	39.9	5,864	18.6	1,397,295	14.3
Middle	11	31.4	1,917	29.2	11,615	36.9	3,270,184	33.5
Upper	2	5.7	564	8.5	13,236	42.0	4,909,575	50.4
	(17) Refinance				(55,477)			
Low	6	35.3	770	28.0	1,016	1.8	221,562	1.4
Moderate	8	47.1	1,149	41.8	7,270	13.1	1,506,624	9.8
Middle	2	11.8	649	23.6	17,793	32.1	4,377,028	28.3
Upper	1	5.8	180	6.6	29,398	53.0	9,341,026	60.5
	(1) Home Improvement				(3,025)			
Low	0	0.0	0	0.0	56	1.9	3,979	1.5
Moderate	0	0.0	0	0.0	449	14.8	31,920	11.6
Middle	0	0.0	0	0.0	983	32.5	72,308	26.4
Upper	1	100.0	80	100.0	1,537	50.8	165,928	60.5
	(6) Multi-Family				(102)			
Low	1	16.7	420	11.7	15	14.7	61,103	7.9
Moderate	1	16.7	440	12.3	39	38.2	168,920	22.0
Middle	3	50.0	1,766	49.4	32	31.4	301,344	39.2
Upper	1	16.6	950	26.6	16	15.7	237,964	30.9
	HMDA Totals							
Low	15	25.4	2,661	20.5	1,867	2.1	462,858	1.8
Moderate	23	39.0	4,211	32.4	13,622	15.1	3,104,759	11.8
Middle	16	27.1	4,332	33.4	30,423	33.8	8,020,864	30.6
Upper	5	8.5	1,774	13.7	44,187	49.0	14,654,493	55.8
NA*	0	0.0	0	0.0	1	0.0	428	0.0
Total	59	100.0	12,978	100.0	90,100	100.0	26,243,402	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Raleigh-Cary NC (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	11	15.5	1,664	13.8	1,292	4.2	59,135	4.8
Moderate	18	25.4	2,058	17.0	5,636	18.4	214,177	17.5
Middle	31	43.7	4,700	38.9	10,050	32.7	408,566	33.5
Upper	11	15.4	3,660	30.3	13,693	44.6	536,896	44.1
NA*	0	0.0	0	0.0	17	0.1	1,638	0.1
Total	71	100.0	12,082	100.0	30,688	100.0	1,220,412	100.0

*NA-Tracts without household or family income as applicable

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

Henderson, NC NonMSA Assessment Area

Borrower Distribution Tables

Distribution of HMDA Loans by Income Level of Borrower

Henderson, NC NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	0	0.0	0	0.0	17	3.8	1,027	1.6
Moderate	2	22.2	157	11.4	79	17.5	7,805	12.0
Middle	1	11.1	22	1.6	111	24.6	12,932	19.9
Upper	6	66.7	1,199	87.0	245	54.1	43,314	66.5
Total	9	100.0	1,378	100.0	452	100.0	65,078	100.0
Unknown	28		4,785		105		20,547	

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

Distribution of HMDA Loans by Income Level of Borrower

Henderson, NC NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	0	0.0	0	0.0	11	1.9	977	1.0
Moderate	1	4.3	64	1.4	108	19.0	11,534	12.2
Middle	4	17.4	608	12.9	135	23.7	19,092	20.3
Upper	18	78.3	4,045	85.7	315	55.4	62,674	66.5
Total	23	100.0	4,717	100.0	569	100.0	94,277	100.0
Unknown	35		6,475		157		28,375	

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

Distribution of Lending by Loan Amount and Size of Business

Henderson, NC NonMSA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	17	28.3	979	22.3	253	44.7	11,026	40.8
Over \$1 Million	8	13.3	1,119	25.4	NA	NA	NA	NA
Unknown	35	58.4	2,302	52.3	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	47	78.3	2,314	52.6	512	90.5	7,627	28.2
\$100,001-\$250,000	11	18.3	1,486	33.8	33	5.8	5,776	21.4
\$250,001-\$1 Million	2	3.4	600	13.6	21	3.7	13,647	50.4
Total	60	100.0	4,400	100.0	566	100.0	27,050	100.0

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

Distribution of Small Business Loans with Unknown Revenue by Loan Size

Henderson, NC NonMSA (2019)				
Loan Size	#	%	\$ (000s)	%
\$100,000 or Less	27	77.1%	\$1,213	52.7%
>\$100,000 to \$250,000	8	22.9%	\$1,089	47.3%
>\$250,000 to \$1,000,000	0	0.0%	\$0	0.0%
Total	35	100%	\$2,302	100%

Geographic Distribution Tables

Distribution of HMDA Loans by Income Level of Census Tract

Henderson, NC NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(12)				Home Purchase (305)			
Low	0	0.0	0	0.0	8	2.6	539	1.2
Moderate	3	25.0	191	12.8	61	20.0	6,254	13.6
Middle	3	25.0	686	46.0	78	25.6	13,414	29.1
Upper	6	50.0	613	41.2	158	51.8	25,819	56.1
	(14)				Refinance (211)			
Low	5	35.7	398	40.2	7	3.3	573	1.9
Moderate	4	28.6	275	27.7	42	19.9	3,798	12.3
Middle	1	7.1	37	3.7	74	35.1	13,471	43.7
Upper	4	28.6	281	28.4	88	41.7	12,987	42.1
	(1)				Home Improvement (28)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	100.0	22	100.0	9	32.1	354	30.2
Middle	0	0.0	0	0.0	7	25.0	238	20.3
Upper	0	0.0	0	0.0	12	42.9	581	49.5
	(10)				Multi-Family (13)			
Low	1	10.0	255	7.0	1	7.7	255	3.4
Moderate	3	30.0	653	17.8	5	38.5	4,190	55.2
Middle	2	20.0	712	19.5	3	23.1	1,112	14.6
Upper	4	40.0	2,040	55.7	4	30.7	2,040	26.8
	HMDA Totals							
Low	6	16.2	653	10.6	16	2.9	1,367	1.6
Moderate	11	29.7	1,141	18.5	117	21.0	14,596	17.0
Middle	6	16.2	1,435	23.3	162	29.1	28,235	33.0
Upper	14	37.9	2,934	47.6	262	47.0	41,427	48.4
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	37	100.0	6,163	100.0	557	100.0	85,625	100.0

NA*-Tracts without household or family income as applicable

Distribution of HMDA Loans by Income Level of Census Tract

Henderson, NC NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
	(26)				(341)			
	Home Purchase							
Low	2	7.7	92	1.9	9	2.6	659	1.2
Moderate	6	23.1	855	18.0	70	20.5	8,026	14.4
Middle	5	19.2	1,198	25.2	85	24.9	15,102	27.0
Upper	13	50.0	2,602	54.9	177	52.0	32,134	57.4
	(21)				(360)			
	Refinance							
Low	1	4.8	55	2.7	3	0.8	138	0.2
Moderate	9	42.9	664	32.9	55	15.3	6,825	11.2
Middle	3	14.3	435	21.6	104	28.9	20,705	33.9
Upper	8	38.0	864	42.8	198	55.0	33,392	54.7
	(2)				(15)			
	Home Improvement							
Low	0	0.0	0	0.0	1	6.7	26	2.5
Moderate	1	50.0	13	15.7	4	26.7	183	17.8
Middle	0	0.0	0	0.0	1	6.7	59	5.7
Upper	1	50.0	70	84.3	9	59.9	759	74.0
	(9)				(10)			
	Multi-Family							
Low	3	33.3	753	17.3	3	30.0	753	16.2
Moderate	3	33.3	776	17.9	3	30.0	776	16.7
Middle	3	33.4	2,815	64.8	3	30.0	2,815	60.6
Upper	0	0.0	0	0.0	1	10.0	300	6.5
	HMDA Totals							
Low	6	10.3	900	8.0	16	2.2	1,576	1.3
Moderate	19	32.8	2,308	20.6	132	18.2	15,810	12.9
Middle	11	19.0	4,448	39.7	193	26.6	38,681	31.5
Upper	22	37.9	3,536	31.7	385	53.0	66,585	54.3
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	58	100.0	11,192	100.0	726	100.0	122,652	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Henderson, NC NonMSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$ (000s)	% \$	#	%	\$ (000s)	% \$
Low	1	1.7	117	2.7	14	2.5	247	0.9
Moderate	32	53.3	2,742	62.3	247	44.4	12,696	47.1
Middle	12	20.0	549	12.5	106	19.1	3,052	11.3
Upper	15	25.0	992	22.5	189	34.0	10,941	40.7
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	60	100.0	4,400	100.0	556	100.0	26,936	100.0

*NA-Tracts without household or family income as applicable

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

CRA APPENDIX D

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices, along with loan and deposit volume. The deposit volume includes all bank deposits and is current as of June 30, 2022, while the loan volume includes all HMDA and small business loans considered in the evaluation.

Assessment Area	Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Lunenburg, VA NonMSA	2,647	76.5%	\$215,263	65.4%	13	81.3%	\$892,694	91.8%
Raleigh, NC	424	12.3%	\$64,015	19.5%	2	12.5%	\$30,932	3.2%
Henderson, NC NonMSA	390	11.3%	\$49,753	15.1%	1	6.2%	\$48,403	5%
Total	3,461	100%	\$329,031	100%	16	100%	\$972,029	100%

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 and Community Development Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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