



PUBLIC DISCLOSURE

July 1, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

HomeTrust Bank

Asheville, North Carolina

**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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212577

10 Woodfin Street

Asheville, NC 28801

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: SATISFACTORY

The following table indicates the performance level of HomeTrust Bank with respect to the Lending, Investment, and Service Tests.

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

* The Lending Test is weighted more heavily than the Investment and Service Tests in determining the overall rating.

Major factors supporting the institution's rating include:

- Lending levels reflect good responsiveness to assessment area credit needs when considering the number and amount of home mortgage and small business loans in the bank's assessment areas.
- A small percentage (by number) and an adequate percentage (by dollar) of the institution's total combined reported Home Mortgage Disclosure Act (HMDA), small business, and small farm loans were originated within the bank's assessment areas.
- While the overall distribution performance varies by state/multistate area, the overall geographic distribution performance is good, while the overall borrower distribution performance is adequate.
- The bank exhibits a good record of serving the credit needs of low-income individuals and geographies as well as very small businesses.
- Overall, the bank extended and/or renewed a relatively high level of community development loans during the evaluation period and made use of innovative and/or flexible lending practices in serving the assessment area's credit needs.

- The bank has an excellent level of qualified community development investments that demonstrate excellent responsiveness to local credit and community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are accessible to geographies and individuals of different income levels within the institution's assessment areas.
- Banking services do not vary in a way that inconveniences the bank's assessment areas, particularly to low- and moderate-income areas and/or people.
- The bank's closing of branch locations adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income areas and/or people.
- During the evaluation period, the bank provided a relatively high level of qualified community development services given its capacity and available opportunities within its assessment areas.

INSTITUTION

DESCRIPTION OF INSTITUTION

HomeTrust Bankshares, Incorporated, a single-bank corporation, owns HomeTrust Bank (HTB), both of which are headquartered in Asheville, North Carolina. HTB received a Satisfactory rating at its prior Community Reinvestment Act (CRA) evaluation, conducted September 13, 2021.

HTB currently operates 36 full-services branch offices serving 12 assessment areas throughout North Carolina, Virginia, Tennessee, South Carolina, and Georgia. Since the previous evaluation, the bank closed ten branch offices throughout seven assessment areas, and as a result, discontinued delineating one of the Virginia assessment areas in 2022. In addition to the branch office closures, the bank closed its only standalone automatic teller machine (ATM) since the previous evaluation. Additionally, the bank acquired Quantum National Bank on March 13, 2023, which included two branch offices in the Atlanta-Silver Springs-Alpharetta, Georgia metropolitan statistical area (MSA), which is a new market. In addition to the branches acquired through the purchase of Quantum National Bank, the bank opened three branch offices within several North Carolina assessment areas since the previous evaluation.

As of March 31, 2024, HTB had assets of \$4.7 billion, of which 81.6% were net loans and 2.6% were securities. Deposits totaled \$3.8 billion as of the same time-period. Various deposit and loan products are available throughout the institution including loans for residential mortgage, consumer, and business purposes. The composition of the loan portfolio (using gross loans) as of March 31, 2024, is represented in the following table:

Composition of Loan Portfolio

Loan Type	3/31/2024	
	\$ (000s)	%
Secured by 1-4 Family dwellings	988,211	25.5
Multifamily	94,703	2.4
Construction and Development	394,108	10.2
Commercial & Industrial/ NonFarm NonResidential	2,212,921	57.2
Consumer Loans and Credit Cards	106,091	2.7
Agricultural Loans/ Farmland	4,724	0.1
All Other	70,856	1.8
Total	3,871,614	100.0

As indicated in the preceding table, HTB is an active commercial and residential mortgage lender. The bank offers other loans such as construction and development, consumer, and multifamily lending. Based on its financial capacity, there are no significant limitations on the bank's ability to meet credit needs within the communities it serves.

SCOPE OF EXAMINATION

HTB was evaluated using the interagency examination procedures for large banks developed by the Federal Financial Institutions Examination Council (FFIEC). The bank is required to report certain information regarding its home mortgage lending in accordance with the HMDA as well as collect loan data for small business and small farm loans in accordance with the CRA. While the bank has reported its 2023 HMDA and CRA data, that data is not included in this analysis because the 2023 aggregate data is not yet available. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2023 is an important performance context factor needed to evaluate the bank's lending performance, especially since the lingering effects of the pandemic and resulting economic impacts continued into 2023. Accordingly, the bank's 2021 and 2022 HMDA and CRA loan originations and purchases were considered in this evaluation. HTB reported 16 small farms loans

totaling approximately \$2 million within their assessment areas during 2021 and 2022 and 111 small farm loans totaling \$21.2 million outside their assessment areas during the same time period. Given the limited volume of small farm lending within the bank's assessment areas during the review period, analyses of the geographic and borrower distribution of small farm lending within the bank's assessment areas was not warranted, as doing so would not yield meaningful conclusions relative to rating the bank's performance. Throughout the analysis of lending, loans without a reported income (in the case of borrower distribution) and loans where the reported geographic information is incomplete (in the case of geographic distribution) are excluded from both bank loan totals and comparative aggregate lending totals.

The evaluation also considers any qualified community development loans, investments, donations, and services originated, renewed, purchased, or provided since the previous evaluation dated September 13, 2021. In addition, all qualified investments funded as of the evaluation date were considered, regardless of when made.

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

Due to its branch locations, an overall rating and ratings for the Lending, Investment, and Service Tests are assigned to the institution, the multistate assessment area, the States of North Carolina, Tennessee, South Carolina and the Commonwealth of Virginia. The state ratings are based only on the performance in the assessment areas subject to full-scope review, but excludes activity in the multistate assessment area, as this is rated separately. For assessment areas that are reviewed utilizing the limited-scope examination procedures, a determination is made as to whether performance is consistent with the overall state rating. The assessment area compositions for each year are reflected in *Appendix F*. As previously noted, the bank purchased Quantum National Bank on March 13, 2023, which included two branch offices in the Atlanta-Silver Springs-Alpharetta, GA metropolitan statistical area (MSA), which is a new market for the bank. Because the Lending Test includes an evaluation of HMDA and CRA loan data from January 1, 2021, through December 31, 2022, which was prior to HTB's acquisition of Quantum National Bank, the bank's CRA performance under the Lending Test in Georgia cannot be evaluated. Consequently, any qualified community development loans, investments, and service activities benefitting the Atlanta-Silver Springs-Alpharetta, GA assessment area or broader Georgia statewide area will be discussed and evaluated at the institution-level for this evaluation.

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

- Asheville, NC
- Polk, NC NonMSA
- Roanoke, VA MSA
- Knoxville-Morristown-Sevierville, TN
- Johnson City-Kingsport-Bristol, TN-VA Multistate Combined Statistical Area
- Greenville-Anderson, SC

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

The institution's overall rating for each test is based on the ratings assigned to the multistate assessment area, the States of North Carolina, Tennessee, South Carolina, Georgia, and the Commonwealth of Virginia. Performance within each multistate assessment area or state is weighted primarily according to the level of associated bank activity as measured by relative lending/deposit volume and the number of branches. In reaching conclusions for each of the performance tests, HTB's ratings within the State of North Carolina received the greatest weight, as it comprised 77.4%, 52.7%, and 59.4% of the loan volume (by dollar), number of branches, and deposit volume, respectively. HTB's overall performance in the Commonwealth of Virginia, the States of Tennessee and South Carolina, and the multistate assessment area received the next highest weight, as the proportion of loan volume (by dollar), branches, and deposit volume were comparable. The State of Georgia received the least amount of weight in reaching performance test ratings at the institution level, as Georgia did not account for any of the loan volume in the analysis. According to the evaluation procedures, the Lending Test performance accounts for half of the overall rating, while the Investment and Service Tests are equally weighted and account for the remaining half of the overall rating. *Appendix D* includes additional data about the distribution of lending, branches, and deposits by assessment area.

As previously noted, HTB purchased Quantum National Bank in 2023, and, consequently, 2021 and 2022 lending data cannot be considered to evaluate the bank's Lending Test performance in the State of Georgia. Because the Lending Test accounts for half of the overall rating, the State of Georgia will not be assessed during this evaluation. Any community development loans, investments, donations, and services originated, renewed, purchased, or provided since the acquisition of Quantum Nation Bank, including all qualified investments funded as of the evaluation date, will be discussed and considered at the overall, institution level.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

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

Rated Area	Lending Test Rating
State of North Carolina	High Satisfactory
State of Tennessee	High Satisfactory
Commonwealth of Virginia	Low Satisfactory
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	High Satisfactory
State of South Carolina	Low Satisfactory
Overall Lending Test Rating	High Satisfactory

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

During 2021 and 2022, the bank reported approximately \$928.6 million in HMDA, \$226.2 million in small business, and \$2 million in small farm loans within its assessment areas. In assessing the bank's HMDA lending performance, consideration was given to all HMDA loan categories and the associated performance for each, and the proportion of each category relative to the bank's total reported HMDA activity.

Analysis tables are presented for each full-scope assessment area for geographic and borrower distribution analyses in 2021 and 2022. HMDA and small business data from calendar years 2021 and 2022 are presented in the analysis tables. In instances where HMDA or small business distribution performance in 2022 varies significantly from the performance noted during 2021, such variance and the corresponding impact on the overall performance is discussed. Additionally, analysis tables for limited-scope areas are provided in *Appendix C*. While small farm loans were included in the lending activity and comparison of credit extended inside and outside of the bank's assessment areas, these loans were excluded from geographic and borrower distribution performance analyses for all assessment areas based on their limited volume. HMDA lending totals for both years varied in some assessment areas between the borrower distribution tables and the geographic distribution tables, which affected the weighting between products in those instances.

For the analysis of small business loans by borrower revenue, Paycheck Protection Program (PPP) lending had a significant impact on the bank's reported data as well as aggregate data during 2021. Because the PPP loan program did not require the collection or consideration of borrower revenue, the bank chose not to collect and consequently report borrower revenue for the PPP loans it originated. The 2021 aggregate small business loan data includes an unknown volume of PPP loans, which includes aggregate PPP lending for which borrower revenue was unknown. Given these factors, when evaluating borrower distribution by business revenue, the analysis includes the percentage of loans originated to businesses with revenues less than \$1 million as compared to all originated loans, as well as the percentage of those loans compared to the volume of loans where revenues are known.

Lending Activity:

Since September 30, 2021, bank assets, loans, and deposits have increased by 34.6%, 37.1%, and 26.9%, respectively. Within the bank's assessment areas during the evaluation period, the number and total dollar volume of HMDA-reportable loans is greater than the number of small business and small farm loans. Of the HMDA-reportable loans, home purchase and refinance loans were the bank's leading loan products, followed by home equity lines of credit and home improvement loans.

Summary of Lending Activity

Loan Type	#	%	\$(000)	% of \$
Home Improvement	589	6.30	68,581	3.10
Home Purchase	2,652	28.36	744,814	33.61
Multi-Family Housing	49	0.52	113,869	5.14
Refinancing	1,833	19.60	445,098	20.09
Loan Purpose Not Applicable	0	0	0	0
Other Purpose Closed-End	23	0.25	5,659	0.26
Other Purpose LOC	1,163	12.44	170,114	7.68
Total HMDA related	6,309	67.46	1,548,135	69.87
Small Business	2,916	31.18	644,530	29.09
Small Farm	127	1.40	23,145	1.00
TOTAL LOANS	9,352	100	2,215,810	100

On a combined basis across all of its assessment areas, when compared to 2021 aggregate data, the institution ranked 31st of 1,163 reporters of mortgage lending with a .7% market share and ranked 34th of 291 reporters of small business loans with a .4% market share. When compared to 2022 aggregate data, the institution ranked 35th of 1,124 reporters of mortgage lending with a .7% market share and ranked 28th of 259 reporters of small business loans with a .3% market share. All market share rankings consider originated and purchased loans. Lending activity is discussed in more detail in the multistate CSA, state, and full-scope assessment area sections of this report. Overall, lending activity at the institutional level is considered good. Since there is a variability of the conclusions for the rated areas, the overall conclusion is primarily driven by the conclusions in the State of North Carolina, as those areas account for 75.5% of the number and 77.4% of the dollar volume of loans in the analysis, as well as 52.7% of the bank's branches and 59.4% of its total deposit base.

Rated Area	Lending Activity
State of North Carolina	Good
State of Tennessee	Adequate
Commonwealth of Virginia	Adequate
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	Adequate
State of South Carolina	Adequate
Overall Component Rating	Good

Overall lending levels reflect good responsiveness to the credit needs of the bank's assessment areas. The total number and dollar amount of loans were considered in arriving at lending activity conclusions, in addition to competitive factors and the bank's overall importance to the area.

Assessment Area Concentration:

To determine the institution's volume of lending within its assessment areas, the geographic location of the bank's originations and purchases for specific loan types from January 1, 2021, through December 31, 2022, was considered. The lending distribution inside and outside of the bank's assessment areas is represented in the following table:

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	1,080	40.7	386,587	51.9	1,572	59.3	358,227	48.1
Home Improvement	513	87.1	56,291	82.1	76	12.9	12,290	17.9
Refinancing	1,369	74.7	336,117	75.5	464	25.3	108,981	24.5
Multi-Family Housing	31	63.3	89,522	78.6	18	36.7	24,347	21.4
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	20	87.0	4,705	83.1	3	13.0	954	16.9
Other Purpose LOC	428	36.8	55,408	32.6	735	63.2	114,706	67.4
Total HMDA related	3,441	54.5	928,630	60.0	2,868	45.5	619,505	40.0
Small Business	922	31.6	226,178	35.1	1,994	68.4	418,352	64.9
Small Farm	16	12.6	1,962	8.5	111	87.4	21,183	91.5
TOTAL LOANS	4,379	46.8	1,156,770	52.2	4,973	53.2	1,059,040	47.8

As indicated in the preceding table, a small percentage of the total number (46.8%) of loans were extended to residents and businesses within the bank's assessment area, while an adequate percentage of the total dollar amount (52.2%) of loans were extended to residents and businesses within the bank's assessment areas. A small percentage of lending inside the assessment areas can indicate poor responsiveness to assessment area credit needs; however, the bank is an active commercial equipment finance lender originating loans to finance specialized commercial equipment across the country. Additionally, the bank originates a significant number of home equity lines of credit (HELOCs) through Symmetry Lending's network of brokers, wholesalers, and retailers across the United States. Because of the large volume of equipment finance loans and brokered HELOCs, the concentration of loans originated inside the bank's assessment areas is low. Despite the low concentration of lending, the bank is still meeting the credit needs of its assessment areas through its penetration of lending in low- and moderate-income census tracts, its distribution of lending to low- and moderate-income borrowers and small businesses, and its origination of community development loans within its assessment areas, where Lending Test performances range from low satisfactory to high satisfactory.

Geographic and Borrower Distribution:

When evaluating the geographic and borrower distribution for a specific loan category (HMDA and small business) within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated or purchased. When considering all loan products to arrive at an overall conclusion, the level of performance of each category is typically weighted by the dollar volume of each category. The geographic distribution of HMDA loans focused on performance for Home Purchase, Home Improvement, Refinancing, and Multi-Family loan categories while borrower distribution of HMDA loans focused on performance for Home Purchase, Home Improvement, and Refinancing loan categories. Performance for the Not Applicable, Other Purpose Closed/Exempt, and Other Line of Credit loan categories were not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall. Similarly, the performance of the assessment areas subject to full-scope reviews are weighted primarily according to their dollar volume during the review period. In all cases, conclusions take into consideration relevant performance context factors.

The bank's overall geographic distribution of loans in low- and moderate-income census tracts is good, and its lending patterns do not reveal any unexplained gaps in any of the assessment areas. Overall, the bank's distribution of loans to low- and moderate-income borrowers and businesses of different sizes is adequate. Further details with respect to the geographic and borrower distributions are provided within each assessment area discussion.

Community Development Lending:

The bank originates or renews a relatively high level of community development loans, as shown in the table below. Since there is variability of the conclusions for the rated areas, the overall conclusion is driven by the bank's performance in the State of North Carolina, which accounts for 75.5% of the number and 77.4% of the dollar volume of loans in the analysis, as well as 52.7% of the bank's branches and 59.4% of its total deposit base.

Rated Area	Community Development Lending
State of North Carolina	Relatively High
State of Tennessee	Leader
Commonwealth of Virginia	Adequate
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	Relatively High
State of South Carolina	Adequate
Overall Component Rating	Relatively High

The bank originated, or renewed a total of 48 community development loans totaling approximately \$114.5 million across all its assessment areas and/or statewide areas. These loans were made to borrowers who develop affordable housing, offer community services to low- and moderate-income individuals, promote economic development, and/or create jobs within the bank's markets. Community development loans that benefit the multistate, statewide, and/or assessment area levels are discussed within the corresponding sections of this evaluation. The following table summarizes the number and dollar volume of HTB's community development lending by category.

Community Development Definition	#	\$
Affordable Housing	21	\$19.7 million
Community Service to Low/Moderate-Income People	11	\$14.4 million
Economic Development	16	\$80.4 million
Total	48	\$114.5 million

Product Innovation:

Overall, HTB makes use of innovative and/or flexible lending practices in serving the credit needs of its assessment areas. During the review period, the following mortgage programs designed to facilitate affordable housing were originated through the bank's assessment areas and were considered within the overall lending rating.

Mortgage Program	Programs Offered	Originations (#)	Originations (\$)	Grants / Assistance
North Carolina Housing Finance Agency	<ul style="list-style-type: none"> • Home Advantage Mortgage • 1st Home Advantage Down Payment • Home Advantage Tax Credit 	15	\$4 million	\$249,000
HomeOwnership Now (HTB Exclusive Product)	<ul style="list-style-type: none"> • 100% loan-to-value, no private mortgage insurance, expanded credit guidelines 	7	\$1.1 million	N/A
Federal Home Loan Bank of Atlanta	<ul style="list-style-type: none"> • First-Time Homebuyer product w/ up to \$12,500 in assistance • Community Partners product w/ up to \$15,000 in assistance • Workforce Housing Plus product up to \$15,000 	10	\$1.5 million	\$120,000
North Carolina Housing Finance Agency Mortgage Credit Certificate	Helps first-time homebuyers and military veterans by reducing their federal income tax liability by up to \$2,000 per year.	15	\$3.3 million	N/A
Federal Housing Administration	General FHA mortgage programs	32	\$7.5 million	N/A
Veterans Affairs	General Veterans Affairs mortgage programs	18	\$7.7 million	N/A
United State Department of Agriculture	General United States Department of Agriculture mortgage programs	64	\$13.3 million	N/A
Mountain Housing Opportunities	Assists with up to \$10,000 towards the purchase price.	3	\$501,707	\$90,000
Community Partners Loan Pool	Assists with up to 25% of the purchase price with down payment assistance up to \$50,000.	1	\$50,000	N/A
House Charlotte / DreamKey Partnership	Down payment assistance between up to \$30,000	1	\$177,941	\$22,500

INVESTMENT TEST

The institution's level of responding to community development needs through its investment activities is rated Outstanding at the institutional level. This conclusion is driven by the outstanding rating within the State of North Carolina which is driven by an outstanding level of investment and grant activity, occasional use of innovative or complex investments, and excellent responsiveness to credit and community development needs.

Rated Area	Investments		Donations/ Grants		Investment Test Rating
	#	\$	#	\$	
State of North Carolina	21	\$28,682,186	102	\$323,244	Outstanding
State of Tennessee	5	\$3,296,059	14	\$7,750	High Satisfactory
Commonwealth of Virginia	3	\$2,500,000	4	\$10,168	High Satisfactory
State of South Carolina	3	\$4,318,383	9	\$13,850	High Satisfactory
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	2	\$1,397,718	11	\$33,560	High Satisfactory
Statewide or Regional	5	\$4,242,045	3	\$5,500	N/A
Total	39	\$44,436,391	143	\$394,072	Outstanding

As of March 31, 2024, the institution reported \$4.7 billion in total assets and a securities portfolio totaling \$120.8 million. As of the evaluation date, HTB held approximately \$44.4 million in qualified investments, which account for 36.8% of the total securities held by the institution. The institution also supports community development organizations by making charitable donations. During the evaluation period, HTB made charitable donations to community development organizations totaling approximately \$394,072 across all assessment areas.

The bank's qualified investments that benefit areas within multiple states or the broader statewide area include the following:

- Freddie Mac Multifamily Loan Pools: Two investments totaling \$2.4 million in affordable multifamily properties within the State of Georgia.
- CAHEC Community Equity Funds XXIV, XXV, and XXVII: Three investments totaling \$1.9 million in a limited partnership agreement to invest in and maintain low-income housing tax credit properties located in the southeastern and mid-Atlantic regions.

Qualified investments, including donations, targeting specific statewide areas and/or assessment areas are discussed in conjunction with the evaluation of those areas.

SERVICE TEST

The bank's overall performance under the Service Test is rated High Satisfactory. This rating considers the accessibility of delivery systems, reasonableness of hours and services, changes in branch office locations, and the level of community development services provided by the bank and its employees. The bank's products and service offerings are consistent and made available across all its assessment areas.

Rated Area	Service Test Rating
State of North Carolina	High Satisfactory
State of Tennessee	Low Satisfactory
Commonwealth of Virginia	Low Satisfactory
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	High Satisfactory
State of South Carolina	Low Satisfactory
Overall Service Test Rating	High Satisfactory

Accessibility of Delivery Systems:

The bank's delivery systems are overall accessible to geographies and individuals of different income levels throughout the bank's assessment areas. In addition to branch locations, consideration was given to the distribution of stand-alone ATMs, which provide further ease of access to individuals in the bank's assessment areas. The bank's website and mobile banking application offer full functionality of features and extend the bank's ability to offer its products and services beyond its physical branch presence. Overall, delivery systems are accessible and convenient to all portions of the assessment areas. Of the 36 full-service branch offices, one (2.8%) is located within a low-income census tract and seven (19.4%) are located within moderate-income areas. The table below provides conclusions for each rated area for this component of the Service Test.

Rated Area	Accessibility of Delivery Systems
State of North Carolina	Readily Accessible
State of Tennessee	Readily Accessible
Commonwealth of Virginia	Reasonably Accessible
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	Readily Accessible
State of South Carolina	Reasonably Accessible
Overall Component Rating	Accessible

Changes in Branch Locations:

The bank's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or individuals. During the review period, HTB closed ten branch locations, while opening and/or acquiring five branch locations, as outlined in *Appendix E*. Of the branch openings, none were in low- or moderate-income census tracts. Two of the branch closures were in low-income census tracts, while one was in a moderate-income census tract.

Rated Area	Changes in Branch Locations
State of North Carolina	Generally Not Adversely Affected
State of Tennessee	Generally Not Adversely Affected
Commonwealth of Virginia	Not Adversely Affected
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	Significantly Adversely Affected
State of South Carolina	Not Adversely Affected
Overall Component Rating	Adversely Affected

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs:

The bank's business hours and services do not vary in a way that inconveniences certain portions of its assessment areas, particularly low- and moderate-income geographies or individuals. Most branch offices operate within standard weekday hours (9:00 a.m. to 5:00 p.m.). In addition, all branches offer drive-thru services with similar hours. The bank's hours and services do not vary in a way that adversely impacts low- and moderate-income geographies or individuals. Moreover, the bank offers the same suite of products and services throughout its entire branch network, including 24-hour ATM access, bank-by-mail and bank-by-phone services, mobile and online banking, contact-free mobile deposits, person-to-person money transfers through Zelle, cash management programs for small businesses, and access to personal finance and budgeting tools. HTB also offers a free checking account to all customers, including low- and moderate-income residents that features no monthly fee or minimum balance requirements.

Rated Area	Reasonableness of Business Hours and Services
State of North Carolina	Do Not Vary
State of Tennessee	Do Not Vary
Commonwealth of Virginia	Do Not Vary
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	Do Not Vary
State of South Carolina	Do Not Vary
Overall Component Rating	Do Not Vary

Community Development Services:

Despite the challenges caused by the COVID-19 lockdowns that impacted and/or closed many businesses and organizations in March 2020 for varied periods of time, the bank and its employees were able to provide a relatively high level of community development services. The following table depicts the provision of community development services within the rated areas.

Rated Area	Community Development Services
State of North Carolina	Relatively High Level
State of Tennessee	Adequate Level
Commonwealth of Virginia	Adequate Level
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	Relatively High Level
State of South Carolina	Adequate Level
Overall Component Rating	Relatively High Level

During the review period, 40 employees provided community service activities at 35 different organizations operating throughout its assessment areas. The following activities support community development within the State of Georgia:

- Atlanta Veterans Affairs Hospital Community Resource and Referral Center: One bank employee teaches financial literacy to a group of homeless and/or at-risk of homelessness.
- Bald Ridge Lodge, Inc.: One bank employee serves on the board of directors of this organization that provides housing, meals, and vocational training to homeless men within the State of Georgia.
- HomeAid Atlanta: One bank employee serves on the board of directors of this organization that builds and renovates affordable housing for low- and moderate-income families and individuals within Atlanta, Georgia.

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

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.

STATE OF NORTH CAROLINA

CRA RATING FOR NORTH CAROLINA¹: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

Major factors supporting the rating include:

- Lending activity reflects a good responsiveness to community credit needs given the bank's capacity within highly competitive markets.
- Geographic distribution performance is considered good, while borrower distribution performance is considered adequate overall.
- Overall, the bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses.
- The bank has originated or renewed a relatively high level of community development loans and made use of flexible lending practices in serving the assessment area's credit needs.
- HTB holds an excellent level of qualified investments that benefit its assessment areas within the State of North Carolina, exhibiting excellent responsiveness to community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are readily accessible to geographies and individuals of different income levels in the State of North Carolina. Since the previous evaluation, branching activity has generally not adversely impacted the accessibility of its delivery systems, particularly to low- and moderate-income neighborhoods and individuals. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within its assessment areas.
- The bank and its employees provide a relatively high level of community development services within its assessment areas.

SCOPE OF EXAMINATION

The Lending Test review considered residential mortgage (HMDA), small business, and small farm loans (CRA), originated or purchased, from January 1, 2021, through December 31, 2022. Small farm loans were excluded from further analysis in all North Carolina assessment areas given the limited volume of originations during the review period. Community development loans made during this evaluation period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or funded as of the evaluation date, regardless of when made, were also considered.

Performance in the State of North Carolina was evaluated by applying the full-scope interagency examination procedures to the Asheville, NC and Polk County, NonMSA assessment areas, which on a combined basis, account for 79.2% of lending by number of loans, 52.6% of branches, and 74.6% of deposits within the State of North Carolina. All other assessment areas within the State of North Carolina were reviewed using limited-scope interagency examination procedures.

¹ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

To arrive at an overall state rating, the full-scope assessment areas were generally weighted based on the dollar volume of lending, as well as the percentage of loans originated within the market. The greatest weight was given to the Asheville, NC assessment area, as it accounted for 62.6% and 64% of loans in the State of North Carolina by number and dollar volume of loans evaluated, respectively. For the assessment areas subject to limited review procedures, a determination was made as to whether the performance was consistent with the assigned state rating.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTH CAROLINA

HTB operates 19 full-service branches throughout its North Carolina assessment areas. None of the branches are located within low-income census tracts, while three (15.8%) are located within moderate-income census tracts. According to FDIC deposit data as of June 30, 2023, these 19 branch offices account for approximately \$2.1 billion of the bank's total deposits.

Based on 2020 ACS data, the assessment areas within the State of North Carolina have a total population of 3,363,974, including 814,572 families. A majority of the families continue to be middle- and upper-income (20% and 41.9%, respectively), while low- and moderate-income families each comprise 20.9% and 17.2% of the total, respectively. Within these assessment areas, the owner-occupancy rate is 56.8%, which approximates the average rate for the entire State of North Carolina (56.5%). The poverty rate of the assessment areas served by the bank is 7.8%, which is lower than the statewide rate (10%). The 2021 median family incomes within the MSAs range from \$65,200 (Greensboro-High Point, NC MSA) to \$95,700 (Raleigh-Cary, NC MSA), while the median family income for nonmetropolitan areas of North Carolina equals \$55,300. The 2022 median family incomes within the MSAs range from \$70,300 (Greensboro-High Point, NC MSA) to \$110,100 (Raleigh-Cary, NC MSA), while the median family income for nonmetropolitan areas of North Carolina equals \$66,900. As described in the respective assessment areas of this report, there are underserved and/or distressed middle-income census tracts within the State of North Carolina assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTH CAROLINA

The bank's Lending Test performance within the State of North Carolina is considered High Satisfactory. Lending activities show good responsiveness to assessment area credit needs. Overall, the geographic distribution of loans is considered good, and borrower distribution of loans is considered adequate, and the bank makes a relatively high level of community development loans.

The Investment Test performance is Outstanding, and the bank holds an excellent level of qualified community development investments and grants that benefit the State of North Carolina. Through its qualified investments and grants, the bank exhibits excellent responsiveness to credit and community development needs.

The Service Test performance is High Satisfactory. The bank's delivery systems are readily accessible to geographies and individuals of different income levels throughout the State of North Carolina. Since the previous evaluation, branching activity has generally not adversely impacted the accessibility of its delivery systems within the State of North Carolina. Business hours and services do not vary in a way that inconveniences any particular individual or area. Further, the bank provides a relatively high level of community development services that benefit the State of North Carolina.

LENDING TEST

Overall, the statewide Lending Test is rated High Satisfactory. As previously mentioned, conclusions for the bank's Lending Test were based upon the performance within the two full-scope assessment areas.

Performance for the Lending Test is based on an evaluation of the institution's lending activity, the geographic and borrower distribution of lending, as well as the level of community development lending, while considering the bank's market strategy, area demographic data, and aggregate HMDA and CRA loan data.

Lending Activity:

HTB's residential mortgage and small business lending within the State of North Carolina assessment areas, as measured by number of loans (75.5%) and dollar volume (77.4%) exceeds the percentage of branch offices (52.7%) and the percentage of deposits (59.4%). As of June 30, 2023, HTB ranked 10th out of 55 institutions in deposit market share with .5% of the State of North Carolina's assessment areas' available FDIC-insured deposits (credit union deposits are not included). When compared to 2021 aggregate data, the institution ranked 26th of 930 reporters of mortgage lending with a .8% market share and ranked 29th of 244 reporters of small business loans with a .3% market share. When compared to 2022 aggregate data, the institution ranked 28th of 913 reporters of mortgage lending with a .8% market share and ranked 35th of 218 reporters of small business loans with a .2% market share. All market share rankings consider originated and purchased loans. Overall, lending activity is considered good for the State of North Carolina.

Geographic and Borrower Distribution:

Overall, HTB's geographic distribution performance is considered good, and its borrower distribution performance is considered adequate. When reaching overall conclusions, the level of performance for each product is typically weighted by the dollar volume of each product by year and overall. Across all North Carolina assessment areas, residential mortgage loans were the largest product by dollar volume, followed by small business lending. The volume of small farm lending is substantially lower than small business and residential mortgage lending and is too limited to conduct meaningful geographic and borrower distribution analyses in all North Carolina assessment areas; therefore, small farm lending was omitted from the geographic and borrower distribution analyses.

Community Development Loans:

The bank originates or renews a relatively high level of community development loans within the State of North Carolina. During the evaluation period, HTB funded or renewed 28 community development loans totaling \$44.9 million in North Carolina, including eight community development loans totaling approximately \$7 million that benefit the broader statewide area, or that benefit multiple assessment areas throughout the State of North Carolina. The loans helped to address a variety of needs, including job creation, community services to low- and moderate-income individuals, affordable housing, and economic development for small businesses. Local lending opportunities are reasonably available when considering competition, bank size, and economic conditions. The institution faces no lending constraints relative to its size and business strategy.

INVESTMENT TEST

HTB's Investment Test performance in the State of North Carolina is Outstanding. The bank has an excellent level of qualified community development investments and grants. The bank holds 21 investments totaling \$28.7 million that directly benefit the State of North Carolina. Additionally, 102 charitable donations totaling \$323,244 were made during the review period to organizations providing community development programs, affordable housing, and economic development throughout the State of North Carolina.

Investments that benefit the broader statewide area, or that benefit multiple assessment areas throughout the State of North Carolina include:

- Fannie Mae Mortgage-Backed Securities: Two mortgage-backed securities totaling approximately \$1.3 million comprised of loans extended to low- and moderate-income borrowers and/or residents of low- and moderate-income census tracts benefitting the broader statewide area within North Carolina.
- Freddie Mac Multifamily Loan Pools: Two investments totaling approximately \$1.1 million in loan pools comprised of affordable multifamily housing projects across multiple assessment areas within North Carolina and/or benefitting the broader statewide area.

SERVICE TEST

The bank's statewide rating under the Service Test is High Satisfactory. During the review period, HTB closed four branch offices throughout the State of North Carolina. Of the total branch closures, two were located in middle-income census tracts, and two were located in upper-income census tracts. During the same time-period, three branch offices were opened within North Carolina, all of which were located in upper-income census tracts. Overall, the changes to the bank's branch office locations in the full-scope assessment areas generally did not adversely affect the accessibility of branches, particularly to low- and moderate-income residents. Products and services offered within the State of North Carolina assessment areas that were evaluated under the full-scope evaluation procedures are representative of those offered by the institution overall. In addition, business hours and services do not vary in a way that inconveniences the needs of any of its assessment areas. Delivery systems are readily accessible to geographies and individuals of different income levels in the State of North Carolina.

The bank and its employees provide a relatively high level of community development services throughout the State of North Carolina, with 24 bank employees volunteering their time and expertise at 20 organizations that provide either economic development, affordable housing, community services to low- and moderate-income residents, and/or financial literacy within the North Carolina assessment areas. Additional details of specific community development service activities are discussed in their respective assessment area evaluation.

METROPOLITAN AREAS

FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ASHEVILLE, NC ASSESSMENT AREA

HTB operates seven branch offices within the assessment area, which is comprised of a portion of the Asheville, NC MSA. The complete composition of the assessment area for 2021 and 2022 is detailed in *Appendix F*.

Based on 2020 ACS data, the assessment area has a total population of 447,822 and a median housing value of \$233,843. Within the assessment area, the owner-occupancy rate is 56%, which approximates the owner-occupancy rate for the entire Asheville, NC MSA (56%) and the State of North Carolina (56.5%). The percentage of families living below the poverty level in the assessment area (7.3%) approximates the percentage of families living below the poverty level in the MSA (7.3%) but is lower than the poverty level in the State of North Carolina (10%). Median family incomes for the MSA are detailed in the table below.

Median Family Income	2021	2022
Asheville, NC MSA	\$74,700	\$80,300

As indicated in the preceding table, the median family income for the Asheville, NC MSA increased between 2021 and 2022. The following table provides family and household demographic information for the assessment area, as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides D&B business data.

2022 Asheville, NC AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	0.9	1,190	1.1	320	26.9	22,261	20.0
Moderate	21	18.1	18,258	16.4	2,180	11.9	19,941	17.9
Middle	67	57.8	67,494	60.7	4,798	7.1	24,394	21.9
Upper	24	20.7	23,891	21.5	781	3.3	44,688	40.2
Unknown	3	2.6	451	0.4	25	5.5	0	0.0
Total AA	116	100.0	111,284	100.0	8,104	7.3	111,284	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	2,075	946	0.8	45.6	859	41.4	270	13.0
Moderate	38,548	18,358	14.9	47.6	12,779	33.2	7,411	19.2
Middle	132,755	75,072	61.0	56.5	35,154	26.5	22,529	17.0
Upper	45,545	28,206	22.9	61.9	9,702	21.3	7,637	16.8
Unknown	804	490	0.4	60.9	217	27.0	97	12.1
Total AA	219,727	123,072	100.0	56.0	58,711	26.7	37,944	17.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	196	0.8	186	0.8	9	0.7	1	0.5
Moderate	5,091	20.7	4,696	20.4	352	26.0	43	19.7
Middle	13,969	56.7	13,059	56.6	783	57.8	127	58.3
Upper	5,305	21.5	5,054	21.9	204	15.1	47	21.6
Unknown	66	0.3	60	0.3	6	0.4	0	0.0
Total AA	24,627	100.0	23,055	100.0	1,354	100.0	218	100.0
Percentage of Total Businesses:				93.6		5.5		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	98	19.7	96	19.6	2	22.2	0	0.0
Middle	309	62.0	303	62.0	6	66.7	0	0.0
Upper	88	17.7	87	17.8	1	11.1	0	0.0
Unknown	3	0.6	3	0.6	0	0.0	0	0.0
Total AA	498	100.0	489	100.0	9	100.0	0	0.0
Percentage of Total Farms:				98.2		1.8		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

The following chart depicts government and private sector employees by industry for the assessment area. A large portion of area employment for residents comes from healthcare, government, retail trade, manufacturing, and accommodation and food services. Major area employers include Blue Ridge Paper Products, Margaret R Pardee Memorial Hospital, Ingles Markets Inc., Park Ridge Health Systems, Veterans Administration, Biltmore Workforce Management Inc., Wal-Mart Associates Inc., and Eaton Corporation.

Asheville, NC Employees by Industry												
	2020 - Q2	2020 - Q3	2020 - Q4	2021 - Q1	2021 - Q2	2021 - Q3	2021 - Q4	2022 - Q1	2022 - Q2	2022 - Q3	2022 - Q4	2023 - Q1
Government												
Government Total, all industries	23,274	22,217	24,243	23,753	23,587	22,371	24,298	24,201	23,706	22,301	24,599	24,241
Private Sector												
Private Sector Total, all industries	139,722	152,360	159,082	158,206	162,431	165,344	168,638	165,961	170,755	172,633	172,879	171,100
Agriculture, forestry, fishing and hunting	292*	277*	0*	280*	314*	298*	287*	294*	322*	301*	315*	305*
Mining, quarrying, and oil and gas extraction	83*	86*	0*	110*	113*	80*	107*	106*	110*	118*	114*	113*
Utilities	456*	453*	457*	460*	457*	440*	437*	453*	461*	468*	474*	480*
Construction	8,811	8,927	9,096	9,103	9,396	9,639	9,815	9,971	10,188	10,240	10,203	10,082
Manufacturing	19,516	20,191	20,521	20,823	21,345	21,655	21,636	21,537	21,707	21,796	21,666	21,750
Wholesale trade	4,837	4,877	4,988	5,036	5,065	5,041	5,134	5,150	5,264	5,354	5,414	5,427
Retail Trade	22,553	24,072	25,276	25,137	25,016	24,796	25,801	25,766	25,981	25,938	26,497	26,249
Transportation and warehousing	3,810*	3,995*	4,726*	4,688*	4,488*	4,599*	5,775*	4,924*	4,970*	5,127*	5,465*	5,347*
Information	1,611	1,565	1,666	1,705	1,819	1,890	1,990	1,999	2,061	2,117	2,224	2,271
Finance and insurance	3,513	3,491	3,501	3,419	3,405	3,468	3,567	3,633	3,614	3,691	3,796	3,807
Real estate and rental and leasing	2,277	2,591	2,628	2,622	2,901	3,039	3,003	2,788	2,968	3,161	3,143	3,012
Professional and technical services	7,233	7,396	7,662	8,253	8,698	8,585	8,696	7,141*	8,709	8,706	7,276*	8,565
Management of companies and enterprises	1,035	1,042	1,071	1,075	1,019	1,020	1,154	1,122*	1,158	1,152	1,150*	1,190
Administrative and waste services	8,278	8,784	10,073	10,176	10,164	10,252	10,670	10,700	11,103	11,068	10,968	10,272
Educational services	2,927	3,072	3,181	3,235	3,318	3,425	3,604	3,699	3,878	3,863	4,120	4,187
Health care and social assistance	29,415	30,124	30,583	30,615	30,563	30,695	30,747	29,900	30,054	30,210	30,686	31,042
Arts, entertainment, and recreation	1,786	2,995	3,337	3,179	3,772	4,060	4,196	3,936	4,489	4,647	4,486	4,087
Accommodation and food services	13,728	19,935	21,204	20,200	22,347	23,818	23,603	22,802	24,728	25,169	24,379	23,809
Other services, except public administration	6,271	6,995	7,325	6,801	7,006	7,149	7,125	7,281	7,612	7,805	7,547	7,754
Public administration	0	0	0	0	0	0	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0	1	23				

Source: Bureau of Labor Statistics(BLS), Quarterly Census of Employment and Wages

* indicates that some or all of the data for this category was suppressed for confidentiality reasons

Recent and historical unemployment rates since the previous evaluation are included in the following table.

Asheville, NC Unemployment Rates					
Area	2018	2019	2020	2021	2022
Asheville, NC	3.2%	3.1%	7.7%	4.2%	3.0%
Buncombe County, NC	3.0%	3.0%	8.2%	4.2%	3.0%
Haywood County, NC	3.4%	3.4%	7.4%	4.3%	3.2%
Henderson County, NC	3.3%	3.3%	6.8%	4.2%	3.2%
Asheville, NC MSA	3.2%	3.1%	7.7%	4.2%	3.1%
North Carolina	4.0%	3.9%	7.2%	4.9%	3.7%

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

While unemployment rates increased from 2019 to 2020 as a result of the COVID-19 pandemic, rates have steadily decreased from 2020 to 2022 across all counties within the assessment area, the MSA, and the State of North Carolina. Unemployment rates for the assessment area approximate the unemployment rate for the MSA and are currently lower than the unemployment rates for the State of North Carolina.

Asheville, NC Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Asheville, NC	\$62,691	\$71,155	13.5%
Buncombe County, NC	\$63,793	\$73,274	14.9%
Haywood County, NC	\$58,397	\$66,508	13.9%
Henderson County, NC	\$63,837	\$71,966	12.7%
Asheville, NC MSA	\$62,542	\$71,595	14.5%
North Carolina	\$63,212	\$70,978	12.3%
<i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

As noted in the preceding table, the median family income has increased within the assessment area during the evaluation period. Despite the increase in median family income across most areas, a majority of local housing cost burden percentages remained higher than, or near, 30 percent of household incomes during the review period for low- and moderate-income renters and owners within the assessment area, as presented in the chart below, suggesting that housing expense is a significant burden in the area.

Asheville, NC Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Asheville, NC	71.8%	51.1%	43.6%	49.8%	28.1%	17.7%
Buncombe County, NC	73.4%	58.4%	45.1%	51.7%	28.0%	18.2%
Haywood County, NC	75.3%	35.3%	42.1%	49.3%	26.7%	17.6%
Henderson County, NC	65.3%	35.4%	39.7%	46.6%	29.2%	16.9%
Asheville, NC MSA	71.2%	50.4%	43.3%	48.8%	28.1%	17.7%
North Carolina	73.4%	38.8%	40.8%	55.9%	29.3%	18.1%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy</i>						

A local official from an affordable housing organization was contacted during the evaluation to assist in evaluating the bank's CRA performance and to discuss local economic conditions and community credit needs within the assessment area. The organization's purpose is to provide safe and affordable housing and home repairs to low- and moderate-income families in Buncombe or Madison Counties. The availability of safe and affordable housing is a national crisis, and Buncombe and Madison Counties are no different. To address the affordable housing crisis, the organization builds one-to-four family homes and townhomes and has served over 2,100 since the organization's founding. Funding for the organization is predominantly provided through donations, sponsorships, grants, government programs, mortgage payments, and proceeds from building programs. The organization heavily relies on a network of local volunteers to execute the construction of the homes. The contact noted that their network of volunteers is facilitated through active community partnerships with numerous area businesses, including HTB. The contact was pleased with the level of involvement by local businesses and financial institutions and is unaware of any discriminatory activities or practices by local financial institutions.

HTB holds a strong deposit market share within the assessment area (4th of 21 banks operating within the assessment area) having 11.4% of all FDIC-insured deposits as of June 30, 2023. Overall, there is significant opportunity for community development loans and investments within the market area. Despite it being a competitive market, the bank faces no significant constraints in taking advantage of all available community development opportunities. HTB serves the assessment area through its array of banking services and products, which includes community development loans, investments, and services that benefit low- and moderate-income borrowers and areas, and small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank's Lending Test performance in the Asheville, NC assessment area is good. Lending levels show good responsiveness to assessment area credit needs. Overall, the geographic distribution of lending is good, while the lending among borrowers of different income levels and businesses of different sizes is adequate. The bank originated a relatively high level of community development loans within the assessment area.

The Investment Test performance is excellent, and the bank holds an excellent level of qualified community development investments and grants that benefit the assessment area. Through its qualified investments and grants, the bank exhibits excellent responsiveness to credit and community development needs.

The Service Test performance is good. The bank's delivery systems are readily accessible to all portions of the assessment area. Since the previous evaluation, branching activity has generally not adversely impacted the accessibility of its delivery systems, especially to low- and moderate-income residents and geographies, and business hours and services do not vary in a way that inconveniences any particular individual or area. Further, the bank provides a relatively high level of community development services that benefit the assessment area.

LENDING TEST

The institution's overall lending performance within this assessment area is considered good. This conclusion is based on the evaluation of the bank's lending activity, the geographic and borrower lending distribution and the level of community development lending while considering the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data. Additionally, the bank makes use of flexible lending practices in serving the credit needs of the assessment area.

Lending Activity:

The bank's residential mortgage and small business lending within the assessment area, as measured by number (47.4%) and dollar (49.5%) is substantially higher than the percentage of deposits (34.8%) and the percentage of branch offices (19.4%). As of June 30, 2023, HTB ranked 4th out of 21 financial institutions in deposit market share with 11.4% of the area's available FDIC-insured deposits (excluding credit union deposits). According to 2022 aggregate data, the institution ranked 5th of 518 reporters of mortgage lending with a 4% market share and ranked 16th of 106 reporters of small business loans with a .9% market share. All market share rankings consider originated and purchased loans. Lending activity reflects good responsiveness to assessment area credit needs and is considered good overall.

Geographic Distribution:

The geographic loan distribution within this assessment is considered good overall for residential mortgage and good for small business lending and is thus considered good overall. Within this assessment area, small business lending accounts for \$67.6 million, compared to residential mortgage lending which accounts for \$504.4 million.

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Asheville, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	%	#	##	##	\$(000)	%	%	
Home Purchase Loans													
Low	2	0.6	1.9	586	0.5	1.6	2	0.9	1.4	946	1.0	1.2	0.8
Moderate	32	9.0	11.7	9,481	7.6	9.0	35	16.6	15.8	15,20	15.3	13.4	14.9
Middle	225	63.2	62.7	77,426	61.7	59.6	132	62.6	60.3	60,430	60.7	57.6	61.0
Upper	97	27.2	23.8	37,900	30.2	29.9	41	19.4	22.0	22,584	22.7	27.4	22.9
Unknown	0	0.0	0.0	0	0.0	0.0	1	0.5	0.4	380	0.4	0.3	0.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	356	100.0	100.0	125,393	100.0	100.0	211	100.0	100.0	99,541	100.0	100.0	100.0
Refinance Loans													
Low	7	1.2	1.3	1,713	1.2	1.0	1	0.5	1.0	263	0.5	0.9	0.8
Moderate	70	12.3	9.8	13,754	9.8	8.2	20	10.6	15.4	3,032	6.0	13.3	14.9
Middle	342	60.1	63.0	80,730	57.6	59.9	121	64.0	61.1	32,699	65.2	58.4	61.0
Upper	150	26.4	25.9	43,936	31.4	30.8	46	24.3	22.2	13,776	27.5	27.0	22.9
Unknown	0	0.0	0.0	0	0.0	0.0	1	0.5	0.3	374	0.7	0.3	0.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	569	100.0	100.0	140,133	100.0	100.0	189	100.0	100.0	50,144	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.8	0	0.0	1.0	2	1.4	1.1	50	0.3	0.5	0.8
Moderate	19	14.6	9.5	1,973	13.4	7.7	13	9.4	11.8	1,361	8.2	10.0	14.9
Middle	72	55.4	60.8	7,340	50.0	58.1	79	57.2	59.5	8,803	53.0	54.8	61.0
Upper	39	30.0	28.9	5,362	36.5	33.2	44	31.9	27.6	6,404	38.5	34.7	22.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.1	0.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	130	100.0	100.0	14,675	100.0	100.0	138	100.0	100.0	16,618	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.5
Moderate	2	50.0	18.8	27,261	89.8	19.0	0	0.0	20.8	0	0.0	26.6	23.5
Middle	2	50.0	56.3	3,110	10.2	22.4	1	50.0	60.4	400	69.0	53.4	56.1
Upper	0	0.0	25.0	0	0.0	58.6	1	50.0	18.8	180	31.0	20.0	19.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	4	100.0	100.0	30,371	100.0	100.0	2	100.0	100.0	580	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	11	0.9	1.5	2,624	0.8	1.2	5	0.8	1.2	1,259	0.7	1.0	0.8
Moderate	131	11.2	10.6	52,953	16.4	8.9	78	12.5	15.0	20,453	11.3	14.2	14.9
Middle	698	59.9	62.4	175,517	54.3	58.1	386	61.7	60.4	109,707	60.6	57.1	61.0
Upper	325	27.9	25.4	92,415	28.6	31.8	155	24.8	23.0	48,720	26.9	27.4	22.9
Unknown	0	0.0	0.0	0	0.0	0.0	2	0.3	0.3	754	0.4	0.3	0.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1,165	100.0	100.0	323,509	100.0	100.0	626	100.0	100.0	180,893	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Multifamily lending was given less weight due to the limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance and home improvement lending are excellent, and performance for home purchase lending is adequate.

As reflected in the preceding table, HTB's percentage of 2021 HMDA lending in low-income census tracts (.9%) was slightly lower than the aggregate lending level (1.5%) and the percentage of owner-occupied housing units located in such tracts (1.4%). The bank's level of lending in moderate-income census tracts (11.2%) was slightly higher than the level of aggregate lending in such tracts (10.6%) and the percentage of owner-occupied housing units located in such tracts (10.9%). Overall, the bank's 2021 performance is considered good.

During 2022, home purchase loans were the leading HMDA product by number, followed by refinance and home improvement loans. Multifamily lending was given less weight due to the limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase lending is good, while refinance and home improvement lending are adequate.

As reflected in the preceding table, HTB's percentage of 2022 HMDA lending in low-income census tracts (.8%) was slightly lower than the aggregate lending level (1.2%) and approximated the percentage of owner-occupied housing units located in such tracts (.8%). The bank's level of lending in moderate-income census tracts (12.5%) was slightly lower than the level of aggregate lending in such tracts (15%) and the percentage of owner-occupied housing units located in such tracts (14.9%). Overall, the bank's 2022 performance is considered adequate.

On a combined basis, HMDA lending performance is considered good and places more weight on 2021 HMDA lending due to the significantly larger dollar volume of lending.

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Asheville, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Low	8	5.0	3.0	1,939	5.6	4.4	0	0.0	0.9	0	0.0	1.0	0.8
Moderate	27	17.0	15.7	6,411	18.5	18.4	24	19.7	20.3	5,359	16.2	20.6	20.7
Middle	72	45.3	52.8	14,285	41.3	46.9	74	60.7	56.9	23,118	70.1	58.8	56.7
Upper	52	32.7	27.6	11,975	34.6	30.2	24	19.7	21.2	4,512	13.7	19.2	21.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.3	0	0.0	0.2	0.3
Tract-Unk	0	0.0	0.8	0	0.0	0.1	0	0.0	0.6	0	0.0	0.2	
Total	159	100.0	100.0	34,610	100.0	100.0	122	100.0	100.0	32,989	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2022 Dun & Bradstreet Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

The bank's percentage of 2021 small business lending in low-income census tracts (5%) is higher than the aggregate reporters' lending level (3%) and the percentage of businesses located in such tracts (3.4%). Similarly, the bank's percentage of small business lending in moderate-income census tracts (17%) is higher than the aggregate lending level (15.7%) and the percentage of businesses located in such tracts (15%). Overall, the bank's small business lending performance during 2021 is considered good, and its performance during 2022 is substantially similar.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's borrower distribution is considered adequate for both residential mortgage and small business lending and is considered adequate overall.

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Asheville, NC													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	13	3.7	5.1	1,940	1.5	2.6	5	2.4	4.1	857	0.9	1.8	20.0
Moderate	53	14.9	16.7	12,430	9.9	11.5	26	12.3	14.4	5,610	5.6	8.7	17.9
Middle	78	21.9	20.1	22,229	17.7	17.1	36	17.1	21.3	11,068	11.1	16.7	21.9
Upper	199	55.9	46.0	84,954	67.8	57.8	141	66.8	50.3	81,310	81.7	63.3	40.2
Unknown	13	3.7	12.1	3,840	3.1	11.0	3	1.4	9.9	696	0.7	9.4	0.0
Total	356	100.0	100.0	125,393	100.0	100.0	211	100.0	100.0	99,541	100.0	100.0	100.0
Refinance Loans													
Low	26	4.6	6.6	3,326	2.4	3.8	17	9.0	10.2	1,655	3.3	5.9	20.0
Moderate	109	19.2	17.5	18,095	12.9	12.9	29	15.3	22.5	4,349	8.7	17.0	17.9
Middle	148	26.0	23.3	30,897	22.0	20.5	37	19.6	22.8	7,791	15.5	20.7	21.9
Upper	278	48.9	37.7	86,079	61.4	47.3	101	53.4	35.1	35,555	70.9	45.4	40.2
Unknown	8	1.4	14.8	1,736	1.2	15.5	5	2.6	9.4	794	1.6	11.0	0.0
Total	569	100.0	100.0	140,133	100.0	100.0	189	100.0	100.0	50,144	100.0	100.0	100.0
Home Improvement Loans													
Low	3	2.3	5.8	107	0.7	3.3	11	8.0	5.8	380	2.3	2.8	20.0
Moderate	19	14.6	14.2	1,119	7.6	8.5	15	10.9	14.9	1,121	6.7	9.6	17.9
Middle	32	24.6	23.1	2,624	17.9	18.2	32	23.2	22.6	2,723	16.4	15.3	21.9
Upper	70	53.8	54.0	10,291	70.1	66.7	79	57.2	53.8	12,307	74.1	69.0	40.2
Unknown	6	4.6	2.8	534	3.6	3.4	1	0.7	3.0	87	0.5	3.3	0.0
Total	130	100.0	100.0	14,675	100.0	100.0	138	100.0	100.0	16,618	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	45	3.9	6.0	5,661	1.9	3.3	38	6.1	6.3	3,240	1.8	3.1	20.0
Moderate	191	16.5	16.8	32,188	11.0	12.0	77	12.3	16.8	11,495	6.4	10.9	17.9
Middle	284	24.5	21.8	57,627	19.7	18.6	119	19.1	21.8	22,898	12.7	17.5	21.9
Upper	606	52.2	42.1	191,022	65.2	52.9	380	60.9	46.1	141,069	78.2	59.0	40.2
Unknown	35	3.0	13.3	6,640	2.3	13.2	10	1.6	9.0	1,611	0.9	9.6	0.0
Total	1,161	100.0	100.0	293,138	100.0	100.0	624	100.0	100.0	180,313	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance lending is considered good, while its performance for home purchase and home improvement lending is considered adequate.

In 2021, the bank's overall level of HMDA lending to low-income borrowers (3.9%) lagged the aggregate lending levels to such borrowers (6%), both of which were lower than the percentage of low-income families within the assessment area (20.1%). The bank's lending to moderate-income borrowers (16.5%) approximated the aggregate lending levels to such borrowers (16.8%) and was lower than the percentage of moderate-income families within the area (18.3%). Overall, the bank's performance during 2021 is considered adequate, and its performance during 2022 is substantially similar.

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Asheville, NC													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	53	33.3	49.5	13,559	39.2	34.2	50	41.0	54.4	13,508	40.9	41.1	93.6
Over \$1 Million	39	24.5		12,154	35.1		54	44.3		17,991	54.5		5.5
Revenue Unknown	67	42.1		8,897	25.7		18	14.8		1,490	4.5		0.9
Total	159	100.0		34,610	100.0		122	100.0		32,989	100.0		100.0
By Loan Size													
\$100,000 or Less	72	45.3	90.5	3,978	11.5	32.1	49	40.2	93.9	2,463	7.5	39.1	
\$100,001 - \$250,000	42	26.4	4.9	7,205	20.8	17.6	24	19.7	3.2	3,993	12.1	15.6	
\$250,001 - \$1 Million	45	28.3	4.6	23,427	67.7	50.3	49	40.2	2.9	26,533	80.4	45.3	
Total	159	100.0	100.0	34,610	100.0	100.0	122	100.0	100.0	32,989	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	23	43.4		1,257	9.3		18	36.0		997	7.4		
\$100,001 - \$250,000	8	15.1		1,574	11.6		7	14.0		1,117	8.3		
\$250,001 - \$1 Million	22	41.5		10,728	79.1		25	50.0		11,394	84.4		
Total	53	100.0		13,559	100.0		50	100.0		13,508	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

D&B data from 2021 indicates that 93.7% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 33.3% were to businesses with revenues of \$1 million or less, while 49.5% of the aggregate lending level were to businesses with revenues of \$1 million or less. The percentage of the bank's small business loans extended to businesses with revenues of \$1 million or less was impacted by a considerable volume of loans for which borrower revenue was unknown (42.1% of all loans). As previously noted, the bank was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, 57.6% of the bank's small business loans were to businesses with annual revenues of \$1 million or less.

Aggregate small business data was also considered as an element of performance context in evaluating the bank's distribution by business revenue. During 2021, 49.5% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loan, which limits its impact as a proxy when evaluating the bank's performance.

Because small dollar loans can demonstrate a willingness to provide credit to small businesses, the bank's distribution by loan size was also considered. Overall, the bank originated 43.4% of its small business loans in amounts of \$100,000 or less, which was substantially higher than the aggregate level of such lending (9.3%).

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

Distribution of 2021 PPP Small Business Loans with No Revenue By Loan Size				
Assessment Area: Asheville, NC				
	Bank			
	#	#%	\$(000)	%
By Loan Size				
\$100,000 or Less	30	55.6%	1,489	20.3%
\$100,001 - \$250,000	19	35.2%	3,135	42.7%
\$250,001 - \$1 Million	5	9.3%	2,710	37.0%
Total	54	100.0%	7,334	100.0%
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>				

Within the assessment area, a majority (55.6%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses within the area.

The bank's 2021 borrower distribution of lending performance to small businesses is considered adequate, and its performance during 2022 is substantially similar. Overall, HTB's borrower distribution performance for small business lending is considered adequate.

Community Development Lending:

Opportunities for community development lending are readily available within the Asheville, NC assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period, HTB extended a relatively high level of community development loans within this market. Thirteen qualified community development loans totaling \$25.5 million were originated during the evaluation period that directly benefit the assessment area. The breakdown of community development loans is detailed in the following table:

Community Development Definition	#	\$
Affordable Housing	3	\$4.5 million
Community Services	5	\$7.5 million
Job Creation	5	\$13.5 million
Total	13	\$25.5 million

INVESTMENT TEST

Overall, HTB has an excellent level of qualified community development investments that benefit the assessment area. In addition to the previously described investments that benefit regional or statewide areas, including this assessment area, the bank holds three qualified investments that directly benefit the Asheville, NC assessment area totaling \$12.1 million for the evaluation period. The three investments support low- and moderate-income affordable housing and multifamily housing complexes, as well as four investments totaling \$1.7 million that support economic development and small businesses within the area. In addition, the bank made qualified investments in the form of donations totaling \$222,244. These investments demonstrate excellent responsiveness to the affordable housing and community development needs within the area. The breakdown of community development donations is detailed in the following table:

Community Development Definition	#	\$
Affordable Housing	12	\$70,000
Community Services to Low/Moderate-Income People	31	\$120,444
Economic Development	16	\$31,800
Total	59	\$222,244

Investments that benefit the Asheville, NC assessment area include:

- Fannie Mae Mortgage-Backed Securities: One mortgage-backed security totaling approximately \$9.8 million comprised of a loan to finance a multifamily affordable housing project within the assessment area.
- Freddie Mac Multifamily Loan Pools: Two investments totaling \$2.3 million in loan pools comprised of affordable multifamily housing projects within the assessment area.

HTB's Investment Test performance in the Asheville, NC assessment area is considered excellent.

SERVICE TEST

Within the assessment area, HTB's performance under the Service Test is considered good. Systems for delivering retail banking services are readily accessible to all portions of the assessment area, including low- and moderate-income areas, and do not vary in a way that inconveniences low- and moderate-income individuals or areas within the area. Additionally, the bank has provided a relatively high level of qualified services to community development organizations. The bank closed one branch office within the assessment area since the previous evaluation, which was located in a middle-income census tract.

Retail Services:

Delivery systems are readily accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail, online banking, and mobile banking services are also offered by the institution. In addition, HTB provides customers with 24-hour telephone access to their accounts through an automated system. Additionally, the bank's business hours and services offered do not vary in a way that inconveniences low- or moderate-income geographies or individuals within the area.

HTB operates seven full-service branch offices in the assessment area, of which, none are located in low-income census tracts and two (28.6%) are located in moderate-income census tracts. The geographic distribution of branches is excellent when considering that 1% and 17.1% of the assessment area's households reside in low- and moderate-income census tracts, respectively. The bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies. As previously noted, HTB closed one full-service branch during the review period, which was located in a middle-income census tract.

Community Development Services:

The bank provides a relatively high level of community development services in the Asheville, NC assessment area. Fifteen bank employees volunteered their time and utilized their financial expertise at various organizations throughout the area, by serving on the boards or committees of 11 different organizations that provide economic development, affordable housing, or community services to low- and moderate-income individuals. These activities include the following:

- **Affordable Housing Committee of Asheville:** One bank employee serves on the board of this organization that plans for and advises city officials on the development of affordable housing projects in the area.
- **Asheville Area Chamber of Commerce:** Two bank employees serve on board committees of this organization that predominantly serves small businesses within the area
- **Asheville Area Habitat for Humanity:** One bank employee serves on the board of directors while another serves on a project management committee of this organization that develops and builds affordable housing for low- and moderate-income individuals and families within the assessment area.
- **Big Brothers Big Sisters of Western North Carolina:** One bank employee serves on a committee of the board of directors of this organization that provides tutoring, training, and mentoring to children from low- and moderate-income families within the area.
- **City of Asheville Home Ownership Fair:** Two employees serve on board committees of this organization that provides financial literacy and resources to individuals seeking affordable housing within the area.
- **Haywood County Schools Foundation:** One employee serves on the board of directors for this foundation that provides scholarships, grants, and educational programs to students at the Haywood County Public School system, where 66.7% of the schools have a majority of students from low- and moderate-income households, as indicated by the majority of students qualifying for and receiving free and/or reduced lunch.
- **Haywood Habitat for Humanity:** One employee serves on the board of directors of this organization that builds affordable housing for low- and moderate-income individuals and families within the area.
- **Haywood Elementary School:** One employee taught a financial literacy course to students at this school where a majority of the students are from low- and moderate-income households.
- **Mountain Housing Opportunities:** One employee serves on the board of directors of this organization that builds and/or renovates affordable housing for low- and moderate-income individuals and families within the assessment area.
- **Verner Center for Early Learning:** One employee serves on the finance committee of this organization that provides education and tutoring services to individuals from low- and moderate-income households and/or with special needs.
- **Western Carolina Rescue Ministries:** One employee serves on the board of directors while another serves on a project management committee of this organization that provides housing, meals, and substance abuse recovery services to low- and moderate-income individuals within the assessment area.

METROPOLITAN AREAS

LIMITED REVIEW

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Conclusions regarding performance, which did not impact the institution's overall rating, are included in the following table. For each test, the conclusion conveys whether performance in an assessment area was generally below, consistent with, or exceeded the institution's statewide ratings. In the case where the performance was considered below, the performance was at least adequate for the assessment area.

Assessment Area	Lending Test	Investment Test	Service Test
Charlotte-Concord-Gastonia, NC	Consistent	Consistent	Below
Greensboro-High Point, NC	Below	Below	Below
Raleigh-Cary, NC	Below	Consistent	Below
Winston-Salem, NC	Below	Below	Consistent

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CHARLOTTE-CONCORD-GASTONIA, NC ASSESSMENT AREA

A limited-scope review of the bank's CRA performance was conducted in the Charlotte-Concord-Gastonia, NC assessment area. The bank's Lending and Investment Test performances in the area were consistent with the statewide performance levels, while its Service Test performance was below the statewide performance level.

The assessment area consists of Gaston and Mecklenburg Counties, North Carolina. In 2022, the assessment area consisted of 25 low-, 108 moderate-, 103 middle-, and 143 upper-income census tracts, and had a population of 1,343,425. Additionally, there were 11 census tracts for which the income levels were unknown.

The bank operates one branch office within a middle-income census tract and two branch offices within upper-income census tracts in the assessment area. This assessment area contains 8.3% of the institution's branches and 3.6% of the deposits from the June 30, 2023, FDIC summary of deposits report. The following table provides information regarding the demographic characteristics of the assessment area, based on 2020 ACS data.

Assessment Area Demographics – Charlotte-Concord-Gastonia, NC Assessment Area				
Income Category	Tract Distribution		Percentage of Families by Tract	Percentage of Families by Income Level
	#	%		
Low	25	6.4	5.1	21.6
Moderate	108	27.7	27.6	17.2
Middle	103	26.4	25.6	18.9
Upper	143	36.7	40.7	42.3
Unknown	11	2.8	1.0	0.0
Total	390	100	100	100

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

Lending Activity in the Charlotte-Concord-Gastonia, NC Assessment Area			
Loan Type	2021	2022	Total
HMDA	77	71	148
Small Business	69	42	111
Total	146	113	259

The Charlotte-Concord-Gastonia, NC assessment area accounts for 5.9% (by number) and 6.6% (by dollar) of the institution's overall lending. In 2021, the bank ranked 120th out of 748 HMDA reporters with less than 0.01% of the area's total HMDA volume. In 2022, HTB ranked 92nd out of 705 reporters with less than 0.01% of the area's HMDA lending. In 2021, the bank ranked 40th out of 191 institutions reporting small business loans in the assessment area with 0.01% of the area's CRA lending, and in 2022 it ranked 46th out of 168 reporters with less than 0.01% of the area's CRA lending.

HTB originated three community development loans totaling approximately \$5.3 million during the evaluation period that specifically benefit this assessment area. The bank also holds six community development investments totaling approximately \$6.5 million. Five of the investments were in Freddie Mac Multifamily Loan Pools comprised of affordable multifamily housing projects within the assessment area totaling approximately \$5 million, while one investment was in a Charlotte Habitat for Humanity mortgage-backed security totaling approximately \$1.5 million to provide affordable housing to low- and moderate-income individuals and families. The bank also made qualified investments in the form of donations totaling \$39,150 during the evaluation period. Additionally, during the evaluation period, two bank employees volunteered their time and expertise in various capacities at two organizations serving the bank's assessment area. These activities include serving on the board of directors and/or teaching a financial literacy course at Commonwealth Charlotte, an organization that provides financial literacy courses to low- and moderate-income individuals, as well as serving on the financial literacy planning committee of Angels & Sparrows, an organization that provides food and education courses to low- and moderate-income individuals.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE GREENSBORO-HIGH POINT, NC ASSESSMENT AREA

A limited-scope review of the bank's CRA performance was conducted in the Greensboro-High Point, NC assessment area. The bank's Lending, Investment, and Service Test performances were all below the statewide performance level.

The assessment area consists of Rockingham County, North Carolina. In 2022, the assessment area consisted of no low-, seven moderate-, 13 middle-, and two upper-income census tracts, and had a population of 91,096.

The bank operates two branch offices within middle-income census tracts in the assessment area. This assessment area contains 5.6% of the institution's branches and 6.6% of the deposits from the June 30, 2023, FDIC summary of deposits report. The following table provides information regarding the demographic characteristics of the assessment area, based on 2020 ACS data.

Assessment Area Demographics – Greensboro-High Point, NC Assessment Area				
<i>Income Category</i>	<i>Tract Distribution</i>		<i>Percentage of Families by Tract</i>	<i>Percentage of Families by Income Level</i>
	<i>#</i>	<i>%</i>		
Low	0	0	0	25.1
Moderate	7	31.8	29.4	21.6
Middle	13	59.1	61.3	20.8
Upper	9	9.1	9.3	32.5
Total	22	100	100	100

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

Lending Activity in the Greensboro-High Point, NC Assessment Area			
<i>Loan Type</i>	<i>2021</i>	<i>2022</i>	<i>Total</i>
HMDA	64	60	124
Small Business	12	11	23
Total	76	71	147

The Greensboro-High Point, NC assessment area accounts for 3.4% (by number) and 1.8% (by dollar) of the institution's overall lending. In 2021, the bank ranked 9th out of 222 HMDA reporters with 2% of the area's total HMDA volume. In 2022, HTB ranked 8th of 213 reporters with less than 2.3% of the area's HMDA lending. In 2021, the bank ranked 19th out of 61 institutions reporting small business loans in the assessment area with 1% of the area's CRA lending, and in 2022 it ranked 18th out of 64 reporters with 1% of the area's CRA lending.

HTB did not originate any community development loans during the evaluation period and does not hold any qualified community development investments benefitting this assessment area beyond those that benefit the greater statewide or regional area. Any investments benefitting this assessment area were made in the form of donations, which totaled \$1,000. During the evaluation period, one bank employee served on the board of directors of Reidsville Chamber of Commerce, which has programs that specifically focus on small business development within the area.

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

A limited-scope review of the bank's CRA performance was conducted in the Raleigh-Cary, NC assessment area. The bank's Lending and Service Test performances in the area were below the statewide performance levels, while its Investment Test performance was consistent with the statewide performance level.

The assessment area consists of Wake County, North Carolina. In 2022, the assessment area consisted of 15 low-, 39 moderate-, 77 middle-, and 92 upper-income census tracts, and had a population of 1,129,410. Additionally, there were seven census tracts for which the income levels were unknown.

The bank operates three branch offices within upper-income census tracts in the assessment area. This assessment area contains 8.3% of the institution's branches and 2.9% of the deposits from the June 30, 2023, FDIC summary of deposits report. The following table provides information regarding the demographic characteristics of the assessment area, based on 2020 ACS data.

Assessment Area Demographics – Raleigh-Cary, NC Assessment Area				
<i>Income Category</i>	<i>Tract Distribution</i>		<i>Percentage of Families by Tract</i>	<i>Percentage of Families by Income Level</i>
	<i>#</i>	<i>%</i>		
Low	15	6.5	5	19.5
Moderate	39	17	15.9	15.7
Middle	77	33.5	35.8	20.4
Upper	92	40	41.8	44.4
Unknown	7	3	1.4	0
Total	230	100	100	100

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

Lending Activity in the Raleigh-Cary, NC Assessment Area			
<i>Loan Type</i>	<i>2021</i>	<i>2022</i>	<i>Total</i>
HMDA	99	72	171
Small Business	46	24	60
Total	145	96	231

The Raleigh-Cary, NC assessment area accounts for 5.5% (by number) and 9.1% (by dollar) of the institution's overall lending. In 2021, the bank ranked 101st out of 721 HMDA reporters with 0.01% of the area's total HMDA volume. In 2022, HTB ranked 87th out of 664 reporters with 0.02% of the area's HMDA lending. In 2021, the bank ranked 45th out of 141 institutions reporting small business loans in the assessment area with 0.01% of the area's CRA lending, and in 2022 it ranked 42nd out of 174 reporters with less than 0.01% of the area's CRA lending.

HTB originated two community development loans during the evaluation period totaling approximately \$3.7 million and holds seven qualified investments totaling approximately \$6.6 million specifically benefitting this assessment area. Of the total investments, four were in Freddie Mac Multifamily Loan Pools comprised of affordable multifamily housing projects within the assessment area totaling approximately \$4.8 million, while three investments totaling approximately \$1.8 million were in Wake County Habitat for Humanity mortgage-backed securities which provide affordable housing to low- and moderate-income individuals and families. The bank also made qualified investments in the form of donations totaling \$29,250 during the evaluation period. Moreover, one employee served on the advisory committee of Passage Home, an organization that provides affordable housing and job training for low- and moderate-income individuals and families within the assessment area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WINSTON-SALEM, NC ASSESSMENT AREA

A limited-scope review of the bank's CRA performance was conducted in the Winston-Salem, NC assessment area. The bank's Lending and Investment Test performances Service Test performance in the area were below the statewide performance level, while its Service Test performance was consistent the statewide performance.

The assessment area consists of Davidson County, North Carolina. In 2022, the assessment area consisted of three low-, seven moderate-, 24 middle-, and eight upper-income census tracts, and had a population of 168,930.

The bank operates one branch office within a moderate-income census tract in the assessment area. This assessment area contains 2.8% of the institution's branches and 2% of the deposits from the June 30, 2023, FDIC summary of deposits report. The following table provides information regarding the demographic characteristics of the assessment area, based on 2020 ACS data.

Assessment Area Demographics – Winston-Salem, NC Assessment Area				
<i>Income Category</i>	<i>Tract Distribution</i>		<i>Percentage of Families by Tract</i>	<i>Percentage of Families by Income Level</i>
	<i>#</i>	<i>%</i>		
Low	3	7.1	5.4	23.4
Moderate	7	16.7	15.8	18.8
Middle	24	57.1	57.3	20.7
Upper	8	19	21.5	37.1
Total	42	100	100	100

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

Lending Activity in the Winston-Salem, NC Assessment Area			
<i>Loan Type</i>	<i>2021</i>	<i>2022</i>	<i>Total</i>
HMDA	16	16	32
Small Business	4	1	5
Total	20	17	37

The Winston-Salem, NC assessment area accounts for 0.8% (by number) and 0.4% (by dollar) of the institution's overall lending. In 2021, the bank ranked 50th out of 336 HMDA reporters with 0.02% of the area's total HMDA volume. In 2022, HTB ranked 47th out of 332 reporters with 0.03% of the area's HMDA lending. In 2021, the bank ranked 33rd out of 81 institutions reporting small business loans in the assessment area with 0.01% of the area's CRA lending, and in 2022 it ranked 30th out of 71 reporters with less than 0.01% of the area's CRA lending.

HTB originated two community development loans during the evaluation period totaling approximately \$3.4 million and holds one qualified investment totaling approximately \$1 million in a Fannie Mae Mortgage-Backed Security comprised of loans extended to low- and moderate-income borrowers and/or residents of low- and moderate-income census tracts throughout the assessment area. The bank also made qualified investments in the form of donations totaling \$8,700 that benefit this area. Additionally, one bank employee served on the financial literacy planning committee of American Children's Home, an organization that provides housing to children from low- and moderate-income households within the area. Additionally, the single branch office is located in a moderate-income census tract, which makes the bank's products and services readily accessible to low- and moderate-income individuals within the area.

NONMETROPOLITAN STATEWIDE AREA

FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE POLK COUNTY, NC NONMSA ASSESSMENT AREA

HTB operates three branch offices within the assessment area, which is comprised of Cleveland, Polk, and Rutherford Counties. The complete composition of the assessment area for 2021 and 2022 is detailed in *Appendix F*.

Based on 2020 ACS data, the assessment area has a total population of 183,291 and a median housing value of \$138,628. Within the assessment area, the owner-occupancy rate is 57.1%, which is slightly higher than the rate for nonmetropolitan areas in North Carolina (53.4%) and approximates the owner-occupancy rate for the State of North Carolina (56.5%). The percentage of families living below the poverty level in the assessment area (13.1%) is identical to the rate for other nonmetropolitan areas in North Carolina and is higher than the poverty level of the State of North Carolina (10%). During 2021 and 2022, Polk County contained five census tracts that were designated as remote/rural underserved census tracts based on the size, density, and dispersion of the population within these tracts. Median family incomes for the nonmetropolitan areas within the State of North Carolina are detailed in the table below.

Median Family Income	2021	2022
Nonmetropolitan North Carolina Areas	\$55,300	\$66,900

As indicated in the preceding table, the median family income for the nonmetropolitan areas in North Carolina increased between 2021 and 2022. The following table provides family and household demographic information for the assessment area, as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides D&B business data.

2022 Polk County, NC NonMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	1.9	615	1.3	126	20.5	10,408	21.9
Moderate	10	18.5	9,042	19.0	1,634	18.1	9,449	19.9
Middle	35	64.8	31,675	66.7	3,896	12.3	9,258	19.5
Upper	8	14.8	6,161	13.0	575	9.3	18,378	38.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	54	100.0	47,493	100.0	6,231	13.1	47,493	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,677	498	1.0	29.7	774	46.2	405	24.2
Moderate	17,850	8,558	16.7	47.9	6,151	34.5	3,141	17.6
Middle	57,885	35,406	68.9	61.2	11,845	20.5	10,634	18.4
Upper	12,567	6,917	13.5	55.0	2,717	21.6	2,933	23.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	89,979	51,379	100.0	57.1	21,487	23.9	17,113	19.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	202	3.2	169	3.0	29	6.6	4	4.3
Moderate	1,371	22.0	1,228	21.5	131	29.8	12	12.8
Middle	3,561	57.0	3,293	57.7	207	47.2	61	64.9
Upper	1,108	17.8	1,019	17.8	72	16.4	17	18.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6,242	100.0	5,709	100.0	439	100.0	94	100.0
Percentage of Total Businesses:				91.5		7.0		1.5
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2	0.8	2	0.8	0	0.0	0	0.0
Moderate	35	14.3	35	14.4	0	0.0	0	0.0
Middle	166	68.0	166	68.3	0	0.0	0	0.0
Upper	41	16.8	40	16.5	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	244	100.0	243	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.6		0.4		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

The following chart depicts government and private sector employees by industry for the assessment area. A large portion of area employment for residents comes from healthcare, government, retail trade, manufacturing, and accommodation and food services. Major area employers include Wal-Mart Associates Inc., Atrium Health, Greenheck Fan Corporation, Hanesbrands Inc., Clearwater Paper Corporation, Gardner-Webb University, Ingles Markets Inc., and Electric Glass Fiber America LLC.

Polk County, NC NonMSA Employees by Industry												
	2020 - Q2	2020 - Q3	2020 - Q4	2021 - Q1	2021 - Q2	2021 - Q3	2021 - Q4	2022 - Q1	2022 - Q2	2022 - Q3	2022 - Q4	2023 - Q1
Government												
Government Total, all industries	10,577	10,024	11,162	10,961	10,987	10,458	11,227	11,078	11,249	10,034	11,434	11,314
Private Sector												
Private Sector Total, all industries	43,356	45,413	46,525	46,577	47,172	47,463	48,125	47,825	48,851	48,613	48,857	48,521
Agriculture, forestry, fishing and hunting	104*	107*	108*	108*	109*	102*	102*	106*	106*	109*	107*	108*
Mining, quarrying, and oil and gas extraction	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
Utilities	183*	183*	183*	181*	181*	184*	183*	175*	176*	177*	179*	179*
Construction	2,842	2,931	2,989	3,189	3,174	3,090	3,123	3,175	3,241	3,226	3,247	3,314
Manufacturing	9,210	9,549	9,646	9,759	9,848	9,960	9,891	10,261	10,400	10,489	10,562	10,683
Wholesale trade	1,020*	1,012*	993*	1,005*	1,000*	997*	1,046*	1,031*	1,045*	992*	1,393	1,423
Retail Trade	6,569	6,753	6,964	6,959	7,039	6,999	7,328	7,251	7,296	7,301	7,397	7,222
Transportation and warehousing	2,700*	2,847*	3,060*	3,136*	2,888*	2,858*	3,029*	3,070*	3,000*	2,813*	2,379*	2,235*
Information	1,026	1,086	1,098	1,081	1,080	1,075	1,093	1,097	1,091	1,088	1,107	1,095
Finance and insurance	858	863	886	901	894	917	918	879	888	869	892	876
Real estate and rental and leasing	447	479	470	446	441	429	454	432	482	493	479	456
Professional and technical services	1,178	1,184	1,212	1,244	1,278	1,227	1,292	1,389	1,448	1,427	1,454	1,567
Management of companies and enterprises	131	128	127	119	118	117	119	115	119	119	119	147
Administrative and waste services	2,872	3,061	3,297	3,170	3,276	3,268	3,311	3,066	3,144	3,014	3,140	3,029
Educational services	1,200	1,056*	1,350*	1,306	1,282	1,169	1,495	1,370	1,280	1,122	1,401	1,295
Health care and social assistance	6,527	5,172*	5,187*	6,673	6,750	6,764	6,587	6,580	6,609	6,690	6,709	6,716
Arts, entertainment, and recreation	531	707	709	626	689	1,042	991	922	1,133	1,180	1,079	1,003
Accommodation and food services	4,198	4,973	4,934	4,868	5,243	5,342	5,244	4,954	5,385	5,481	5,180	5,149
Other services, except public administration	1,059	1,099	1,093	1,089	1,151	1,206	1,161	1,164	1,211	1,240	1,238	1,180
Public administration	0	0	0	0	0	0	0	0	0	0	0	0
Unclassified	0	0	0	2								

Source: Bureau of Labor Statistics(BLS), Quarterly Census of Employment and Wages

* indicates that some or all of the data for this category was suppressed for confidentiality reasons

Recent and historical unemployment rates since the previous evaluation are included in the following table.

Polk County, NC NonMSA Unemployment Rates					
Area	2018	2019	2020	2021	2022
Polk County, NC NonMSA	4.3%	4.2%	8.0%	5.6%	4.1%
Cleveland County, NC	4.0%	3.9%	7.7%	5.4%	3.8%
Polk County, NC	3.8%	3.7%	6.1%	4.8%	3.8%
Rutherford County, NC	5.2%	4.8%	9.2%	6.5%	4.7%
NonMSA North Carolina	4.6%	4.4%	7.4%	5.5%	4.1%
North Carolina	4.0%	3.9%	7.2%	4.9%	3.7%

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

While unemployment rates increased from 2019 to 2020 as a result of the COVID-19 pandemic, rates have steadily decreased from 2020 to 2022 across all counties within the assessment area, nonmetropolitan areas of North Carolina, and the State of North Carolina. Unemployment rates for the assessment area are identical to other nonmetropolitan areas within the state and are slightly higher than the unemployment rates for the State of North Carolina.

Polk County, NC NonMSA Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Polk County, NC NonMSA	\$51,490	\$55,649	8.1%
Cleveland County, NC	\$53,658	\$55,121	2.7%
Polk County, NC	\$58,430	\$65,766	12.6%
Rutherford County, NC	\$46,856	\$53,158	13.4%
NonMSA North Carolina	\$51,588	\$57,962	12.4%
North Carolina	\$63,212	\$70,978	12.3%
Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.			

As noted in the preceding table, the median family income has increased within the assessment area during the evaluation period; however, the amount of increase within Cleveland County is substantially less than the amount of increase within other counties, nonmetropolitan areas within the state, and the amount of increase for the overall State of North Carolina. Despite the increase in median family income across most areas, a majority of local housing cost burden percentages remained higher than, or near, 30 percent of household incomes during the review period for low- and moderate-income renters and owners within the assessment area, as presented in the chart below, suggesting that housing expense is a burden for many in the area.

Polk County, NC NonMSA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Polk County, NC NonMSA	66.7%	30.1%	38.7%	47.6%	25.2%	16.8%
Cleveland County, NC	65.7%	31.7%	39.5%	52.5%	29.6%	18.0%
Polk County, NC	37.9%	44.2%	29.5%	52.8%	30.7%	17.5%
Rutherford County, NC	74.5%	23.6%	40.1%	41.0%	19.1%	15.0%
NonMSA North Carolina	65.7%	29.7%	38.5%	52.6%	26.6%	19.2%
North Carolina	73.4%	38.8%	40.8%	55.9%	29.3%	18.1%
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy						

A local official from a county-level economic development office was contacted during the evaluation to assist in evaluating the bank's CRA performance and to discuss local economic conditions and community credit needs within the assessment area. The economic development office's purpose is to encourage businesses to relocate into the area as well as retain and encourage expansion of existing businesses. Additionally, the office serves to advise the Board of County Commissioners regarding economic development policies, programs, and initiatives. The contact noted that one of the biggest challenges within the area pertains to local residents experiencing difficulties in securing job opportunities that would allow them to afford their housing, and as a result, the contact stated that more affordable housing is a great need in the area. The official also noted that the concept of "economic development" is often met with resistance by local residents who are concerned that added economic development and growth will lead to higher housing prices and will result in a loss of the familiar "small-town" feel of the community. The contact stated that the office does not currently partner with any local financial institutions, but they are open to other types of funding partners. Currently, the office is primarily funded through local government, economic development authorities, and community development block grants. The contact is unaware of any discriminatory activities or practices by local financial institutions.

HTB holds a strong deposit market share within the assessment area (3rd of 12 banks operating within the assessment area) having 13.2% of all FDIC-insured deposits as of June 30, 2023. While the bank faces no significant constraints in taking advantage of available community development opportunities, opportunities for community development loans and investments are limited within the market area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank's Lending Test performance in the Polk County, NC NonMSA assessment area is adequate. Lending levels show good responsiveness to assessment area credit needs. Overall, the geographic distribution of lending performance is poor while the borrower distribution is adequate, and the bank originated an adequate level of community development loans within the assessment area during the evaluation period.

The Investment Test performance is adequate, and the bank holds an adequate level of qualified community development investments and grants that benefit the assessment area. Through its qualified investments and grants, the bank exhibits adequate responsiveness to credit and community development needs.

The Service Test performance is adequate. There are no branch offices in low- or moderate-income census tracts in the assessment areas. Since the previous evaluation, branching activity has generally not adversely impacted the accessibility of its delivery systems, especially to low- and moderate-income residents and geographies, and business hours and services do not vary in a way that inconveniences any particular individual or area. Further, the bank provides an adequate level of community development services that benefit the assessment area.

LENDING TEST

The institution's overall lending performance within this assessment area is considered adequate. This conclusion is based on the evaluation of the bank's lending activity, the geographic and borrower lending distribution and the level of community development lending while considering the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data. Additionally, the bank makes limited use of flexible lending practices in serving the credit needs of the assessment area.

Lending Activity:

The bank's residential mortgage and small business lending within the assessment area, as measured by number (12.5%) and dollar (10%) is slightly higher than the percentage of deposits (9.5%) and branch offices (8.3%). As of June 30, 2023, HTB ranked 3rd out of 12 financial institutions in deposit market share with 13.2% of the area's available FDIC-insured deposits (excluding credit union deposits). According to 2022 aggregate data, the institution ranked 8th of 353 reporters of mortgage lending with a 2.8% market share and ranked 19th of 82 reporters of small business loans with a .7% market share. All market share rankings consider originated and purchased loans. Lending activity reflects good responsiveness to assessment area credit needs and is considered good overall.

Geographic Distribution:

The geographic loan distribution within this assessment area is considered poor for residential mortgage and excellent for small business lending and is considered poor overall. Within this assessment area, small business lending accounts for \$8.3 million, compared to residential mortgage lending which accounts for \$107.6 million.

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Polk County, NC NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	2.3	0	0.0	1.7	1.0
Moderate	5	4.3	7.3	676	2.3	5.1	10	16.9	18.3	2,671	13.6	14.4	16.7
Middle	89	76.1	77.3	20,969	72.5	73.5	37	62.7	63.5	11,604	59.1	64.7	68.9
Upper	23	19.7	15.4	7,260	25.1	21.4	12	20.3	15.8	5,369	27.3	19.1	13.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	117	100.0	100.0	28,905	100.0	100.0	59	100.0	100.0	19,644	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	1	1.6	1.5	50	0.3	1.2	1.0
Moderate	5	3.0	5.1	759	2.3	3.7	5	7.8	13.8	615	4.2	10.9	16.7
Middle	133	81.1	80.3	26,061	79.7	79.2	42	65.6	68.7	10,053	69.0	69.6	68.9
Upper	26	15.9	14.5	5,881	18.0	17.1	16	25.0	15.9	3,848	26.4	18.0	13.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.3	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	164	100.0	100.0	32,701	100.0	100.0	64	100.0	100.0	14,566	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	1.3	0	0.0	0.5	1.0
Moderate	0	0.0	5.6	0	0.0	3.6	1	7.1	12.3	46	2.8	9.3	16.7
Middle	17	63.0	76.2	2,349	70.6	74.6	13	92.9	66.3	1,587	97.2	65.9	68.9
Upper	10	37.0	18.2	976	29.4	21.8	0	0.0	19.9	0	0.0	22.8	13.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.2	0	0.0	1.5	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	27	100.0	100.0	3,325	100.0	100.0	14	100.0	100.0	1,633	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	6.7
Moderate	0	0.0	21.4	0	0.0	4.9	0	0.0	33.3	0	0.0	17.0	30.9
Middle	0	0.0	75.0	0	0.0	93.2	0	0.0	52.4	0	0.0	73.6	44.7
Upper	0	0.0	3.6	0	0.0	1.8	0	0.0	14.3	0	0.0	9.3	17.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	1	0.6	1.9	50	0.1	1.5	1.0
Moderate	10	3.0	6.2	1,435	2.1	4.4	18	11.0	16.2	3,488	9.1	13.6	16.7
Middle	263	77.8	78.9	53,102	76.5	76.6	113	68.9	65.9	24,926	65.3	66.2	68.9
Upper	65	19.2	14.9	14,904	21.5	19.0	32	19.5	16.0	9,733	25.5	18.7	13.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	338	100.0	100.0	69,441	100.0	100.0	164	100.0	100.0	38,197	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Multifamily lending was given less weight due to the limited lending within the assessment area. During 2021, there were no low-income census tracts within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance and home purchase lending are poor, and performance for home improvement lending is very poor.

As reflected in the preceding table, HTB's percentage of 2021 HMDA lending in moderate-income census tracts (3%) lagged the level of aggregate lending in such tracts (6.2%) and the percentage of owner-occupied housing units located in such tracts (7.3%) and is considered poor.

During 2022, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Multifamily lending was given less weight due to the limited lending within the assessment area. During 2022, there was one low-income census tract within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase and refinance lending is adequate, and home improvement lending is poor.

As reflected in the preceding table, HTB's percentage of 2022 HMDA lending in low-income census tracts (0.6%) was lower than the aggregate lending level (1.9%) and approximated the percentage of owner-occupied housing units located in such tracts (1%). The bank's level of lending in moderate-income census tracts (11%) was lower than the level of aggregate lending in such tracts (16.2%) as well as the percentage of owner-occupied housing units located in such tracts (16.7%). Overall, the bank's 2022 performance is considered adequate.

On a combined basis, HMDA lending performance is considered poor and places more weight on 2021 HMDA lending due to the larger dollar volume of lending.

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Polk County, NC NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	##%	##%	#	##%	##%	\$(000)	##%	##%	
Low	0	0.0	0.0	0	0.0	0.0	1	4.3	1.4	200	5.7	2.2	3.2
Moderate	3	13.0	8.6	536	11.0	10.3	7	30.4	19.0	1,735	49.7	26.6	22.0
Middle	17	73.9	78.8	2,833	58.3	80.3	15	65.2	61.1	1,553	44.5	53.4	57.0
Upper	3	13.0	11.1	1,488	30.6	9.1	0	0.0	17.6	0	0.0	17.6	17.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	1.5	0	0.0	0.3	0	0.0	1.0	0	0.0	0.3	
Total	23	100.0	100.0	4,857	100.0	100.0	23	100.0	100.0	3,488	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2022 Dun & Bradstreet Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

As previously noted, there were no low-income census tracts within the assessment area during 2021, and there was one low-income census tract within the assessment area during 2022. The bank's percentage of 2021 small business lending in moderate-income census tracts (13%) is significantly higher than the aggregate lending level (8.6%) and is slightly higher than the percentage of businesses located in such tracts (11%). Overall, the bank's small business lending performance during 2021 is considered excellent, and its performance during 2022 is substantially similar.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's borrower distribution is considered adequate for residential mortgage lending and good overall for small business lending and is considered adequate overall. In reaching this conclusion, more weight was placed on HMDA lending considering the significantly larger dollar volume of lending.

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Polk County, NC NonMSA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%%	%%	#	##	##	\$(000)	%%	%%	
Home Purchase Loans													
Low	2	1.7	2.8	207	0.7	1.4	3	5.1	4.0	369	1.9	2.2	21.9
Moderate	19	16.2	16.9	2,474	8.6	10.6	6	10.2	18.5	943	4.8	11.7	19.9
Middle	32	27.4	22.0	6,187	21.4	18.3	11	18.6	24.7	2,287	11.6	20.3	19.5
Upper	63	53.8	43.6	19,850	68.7	55.7	39	66.1	37.4	16,045	81.7	50.8	38.7
Unknown	1	0.9	14.7	187	0.6	13.9	0	0.0	15.4	0	0.0	15.0	0.0
Total	117	100.0	100.0	28,905	100.0	100.0	59	100.0	100.0	19,644	100.0	100.0	100.0
Refinance Loans													
Low	11	6.7	4.0	717	2.2	1.9	3	4.7	7.6	301	2.1	4.2	21.9
Moderate	13	7.9	11.4	1,630	5.0	7.5	5	7.8	18.9	540	3.7	14.2	19.9
Middle	31	18.9	20.0	4,931	15.7	16.2	18	28.1	25.9	2,844	19.5	22.6	19.5
Upper	106	64.6	47.9	24,812	75.9	55.9	35	54.7	37.2	10,039	68.9	46.0	38.7
Unknown	3	1.8	16.7	611	1.9	18.4	3	4.7	10.3	842	5.8	13.0	0.0
Total	164	100.0	100.0	32,701	100.0	100.0	64	100.0	100.0	14,566	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.1	0	0.0	1.9	0	0.0	5.5	0	0.0	3.2	21.9
Moderate	3	11.1	10.7	130	3.9	7.8	3	21.4	12.5	223	13.7	8.0	19.9
Middle	3	11.1	19.4	247	7.4	11.8	6	42.9	25.8	579	35.5	19.0	19.5
Upper	21	77.8	64.6	2,948	88.7	75.9	5	35.7	53.8	831	50.9	67.2	38.7
Unknown	0	0.0	1.3	0	0.0	2.5	0	0.0	2.4	0	0.0	2.6	0.0
Total	27	100.0	100.0	3,325	100.0	100.0	14	100.0	100.0	1,633	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	14	4.1	3.6	969	1.4	1.7	7	4.3	5.5	690	1.8	2.8	21.9
Moderate	37	10.9	13.6	4,381	6.3	9.0	16	9.8	17.6	1,793	4.7	12.7	19.9
Middle	72	21.3	20.7	12,044	17.3	17.7	40	24.4	24.9	5,921	15.5	20.6	19.5
Upper	210	62.1	47.1	51,198	73.7	56.5	98	59.8	39.5	28,951	75.8	50.3	38.7
Unknown	5	1.5	15.0	849	1.2	15.7	3	1.8	12.4	842	2.2	14.2	0.0
Total	338	100.0	100.0	69,441	100.0	100.0	164	100.0	100.0	38,197	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance and home purchase lending is considered good, while its performance for home improvement lending is considered adequate.

In 2021, the bank's overall level of HMDA lending to low-income borrowers (4.1%) was slightly higher than the aggregate lending levels to such borrowers (3.6%), both of which were lower than the percentage of low-income families within the assessment area (20.2%). The bank's lending to moderate-income borrowers (10.9%) lagged aggregate lending levels to such borrowers (13.6%), and the percentage of moderate-income families within the area (17.8%). Overall, the bank's performance during 2021 is considered adequate, and its performance during 2022 is substantially similar.

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Polk County, NC NonMSA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	11	47.8	51.6	3,727	76.7	38.8	12	52.2	58.5	1,993	57.1	39.4	91.5
Over \$1 Million	6	26.1		590	12.1		6	26.1		1,279	36.7		7.0
Revenue Unknown	6	26.1		540	11.1		5	21.7		216	6.2		1.5
Total	23	100.0		4,857	100.0		23	100.0		3,488	100.0		100.0
By Loan Size													
\$100,000 or Less	13	56.5	92.4	721	14.8	37.7	15	65.2	94.0	636	18.2	38.4	
\$100,001 - \$250,000	5	21.7	4.5	922	19.0	19.6	2	8.7	3.2	402	11.5	15.8	
\$250,001 - \$1 Million	5	21.7	3.0	3,214	66.2	42.7	6	26.1	2.8	2,450	70.2	45.9	
Total	23	100.0	100.0	4,857	100.0	100.0	23	100.0	100.0	3,488	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	5	45.5		273	7.3		8	66.7		357	17.9		
\$100,001 - \$250,000	1	9.1		240	6.4		1	8.3		202	10.1		
\$250,001 - \$1 Million	5	45.5		3,214	86.2		3	25.0		1,434	72.0		
Total	11	100.0		3,727	100.0		12	100.0		1,993	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

D&B data from 2021 indicates that 91.6% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 47.8% were to businesses with revenues of \$1 million or less, while 51.6% of the aggregate lending level were to businesses with revenues of \$1 million or less. The percentage of the bank's small business loans extended to businesses with revenues of \$1 million or less was impacted by a considerable volume of loans for which borrower revenue was unknown (26.1% of all loans). As previously noted, the bank was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, 64.7% of the bank's small business loans were to businesses with annual revenues of \$1 million or less.

Aggregate small business data was also considered as an element of performance context in evaluating the bank's distribution by business revenue. During 2021, 47.8% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loan, which limits its impact as a proxy when evaluating the bank's performance.

Because small dollar loans can demonstrate a willingness to provide credit to small businesses, the bank's distribution by loan size was also considered. Overall, the bank originated 56.5% of its small business loans in amounts of \$100,000 or less, which was substantially lower than the aggregate level of such lending (92.4%).

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

Distribution of 2021 PPP Small Business Loans with No Revenue By Loan Size				
Assessment Area: Polk County, NC NonMSA				
	Bank			
	#	#%	\$(000)	\$%
By Loan Size				
\$100,000 or Less	2	50.0%	80	21.9%
\$100,001 - \$250,000	2	50.0%	286	78.1%
\$250,001 - \$1 Million	0	0.0%	0	0.0%
Total	4	100.0%	366	100.0%
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>				

Within the assessment area, a majority (50%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses within the area. Overall, the bank's 2021 borrower distribution of lending performance to small businesses is considered good.

D&B data from 2022 indicates that 91.5% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 52.2% were to businesses with revenues of \$1 million or less, while 58.5% of the aggregate lending level were to businesses with revenues of \$1 million or less. The bank's borrower distribution of lending performance during 2022 is adequate.

On a combined basis, the bank's borrower distribution of small business lending performance during 2021 and 2022 is considered good based on the strength of performance and relative volume of each year.

Community Development Lending:

Opportunities for community development lending are limited within the Polk County, NC NonMSA assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period, HTB did not extend any community development loans within this market.

INVESTMENT TEST

The bank's performance under the Investment Test is considered adequate. During the evaluation period, and specific to the Polk County, NC NonMSA assessment area, the bank made six charitable donations totaling \$22,900 to three area organizations that provide community development services and affordable housing.

Other qualified investments that benefit the statewide area have been discussed in the North Carolina statewide section of this evaluation. When considering HTB's local qualified investments along with its statewide qualified investments, and the limited opportunity for community development investments within this assessment area, the bank maintains an adequate level of qualified community development investments and grants that exhibit adequate responsiveness to credit and community development needs within the assessment area.

SERVICE TEST

Within the assessment area, HTB's performance under the Service Test is considered adequate. The bank does not have any branch offices within low- or moderate-income census tracts in this assessment area. Branch hours and services do not vary in a way that inconveniences low- and moderate-income individuals or areas within the area. Additionally, the bank has provided an adequate level of qualified services to community development organizations. The bank closed one branch office within the assessment area since the previous evaluation, which was located in a middle-income census tract.

Retail Services:

Delivery systems are reasonably accessible to all portions of the assessment area. Although there are no branches located in low- or moderate-income census tracts within the assessment area, one branch is in close proximity (within one-tenth of a mile) to a low-income census tract, while another is within five miles of a moderate-income census tract. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail, online banking, and mobile banking services are also offered by the institution. In addition, HTB provides customers with 24-hour telephone access to their accounts through an automated system. Additionally, the bank's business hours and services offered do not vary in a way that inconveniences low- or moderate-income geographies or individuals within the area.

HTB operates three full-service branch offices in the assessment area and while none of the branches are located in low- or moderate-income census tracts, two are in close proximity to low- and moderate-income census tracts. When considering the close proximity, in particular the branch located one-tenth of a mile from a low-income census tract, the geographic distribution of branches is reasonably accessible when considering that 1.8% and 20.2% of the assessment area's households reside in low- and moderate-income census tracts, respectively. The bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies. As previously noted, HTB closed one full-service branch during the review period, which was located in a middle-income census tract.

Community Development Services:

The bank provides an adequate level of community development services in the Polk County, NC NonMSA assessment area. Three bank employees volunteered their time and utilized their financial expertise at various organizations throughout the area, by serving on the board of directors of three different organizations that provide affordable housing or community services to low- and moderate-income individuals. These activities include the following:

- Cleveland County Community Development Corporation: One bank employee serves on the board of directors of this organization that provides affordable housing and homeowner education courses to low- and moderate-income individuals and families within the area.
- Cleveland Vocational Industries, Inc.: One bank employee serves on the board of directors of this organization that provides skills and vocational training to low- and moderate-income individuals within the assessment area.
- Rutherford County Habitat for Humanity: One bank employee serves on the board of directors of this organization that develops and builds affordable housing for low- and moderate-income individuals and families within the assessment area.

STATE OF TENNESSEE

CRA RATING FOR TENNESSEE²: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

Major factors supporting the rating include:

- Lending activity reflects adequate responsiveness to community credit needs given the bank's capacity within highly competitive markets.
- Geographic distribution performance is considered excellent, while borrower distribution performance is considered good overall.
- Overall, the bank exhibits a good record of serving the credit needs of low- and moderate-income individuals and areas and very small businesses.
- The bank is a leader in making community development loans and made use of flexible lending practices in serving the assessment area's credit needs.
- HTB holds a significant level of qualified investments that benefit its assessment area within the State of Tennessee, exhibiting good responsiveness to community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are readily accessible to geographies and individuals of different income levels in the State of Tennessee. Since the previous evaluation, branching activity has generally not adversely impacted the accessibility of its delivery systems, particularly to low- and moderate-income neighborhoods and individuals. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within its assessment area.
- The bank and its employees provide an adequate level of community development services within its assessment area.

SCOPE OF EXAMINATION

The Lending Test review considered residential mortgage (HMDA), small business, and small farm loans (CRA), originated or purchased, from January 1, 2021, through December 31, 2022. Small farm loans were excluded from further analysis in the State of Tennessee given the limited volume of originations during the review period. Community development loans made during this evaluation period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or funded as of the evaluation date, regardless of when made, were also considered.

Performance in the State of Tennessee was evaluated by applying the full-scope interagency examination procedures to the Kingsport-Morristown-Sevierville, TN assessment area, which is the sole assessment area within the State of Tennessee during this evaluation.

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

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE KNOXVILLE-MORRISTOWN-SEVIERVILLE, TN ASSESSMENT AREA

HTB operates four branch offices within the assessment area, which is comprised of portions of the Knoxville, TN and Morristown, TN MSAs. Together, these two MSAs make up the Knoxville-Morristown-Sevierville, TN Combined Statistical Area (CSA). Specifically, the assessment area is comprised of all of Knox County (Knoxville, TN MSA) and all of Hamblen and Jefferson Counties (Morristown, TN MSA). The complete composition of the assessment area for 2021 and 2022 is detailed in *Appendix F*.

Based on 2020 ACS data, the assessment area has a total population of 598,153 and a median housing value of \$181,318. Within the assessment area, the owner-occupancy rate is 59.7%, which is slightly lower than the owner-occupancy rate for the Knoxville, TN MSA (61.4%) and Morristown, TN MSA (61.4%), but is slightly higher than the owner-occupancy rate for the State of Tennessee (58.6%). The percentage of families living below the poverty level in the assessment area (9.1%) approximates the percentage of families living below the poverty level in the Knoxville, TN MSA (9.4%) and is lower than the poverty level of the Morristown, TN MSA (11.5%) and the State of Tennessee (10.6%). Median family incomes for the MSAs are detailed in the table below.

Median Family Income	2021	2022
Knoxville, TN MSA	\$69,100	\$82,000
Morristown, TN MSA	\$56,300	\$70,700

As indicated in the preceding table, the median family income in the Knoxville, TN MSA is higher than the median family income for the Morristown, TN MSA. Median family incomes for both MSAs have increased between 2021 and 2022. The following table provides family and household demographic information for the assessment area, as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides D&B business data.

2022 Knoxville-Morristown-Sevierville, TN AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	13	9.0	8,285	5.6	3,390	40.9	28,079	19.1
Moderate	19	13.1	17,042	11.6	2,761	16.2	24,698	16.8
Middle	59	40.7	65,199	44.3	5,188	8.0	29,297	19.9
Upper	50	34.5	56,546	38.4	1,993	3.5	65,137	44.2
Unknown	4	2.8	139	0.1	19	13.7	0	0.0
Total AA	145	100.0	147,211	100.0	13,351	9.1	147,211	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	20,466	4,994	3.2	24.4	12,223	59.7	3,249	15.9
Moderate	34,850	17,872	11.5	51.3	13,823	39.7	3,155	9.1
Middle	112,421	69,586	45.0	61.9	31,016	27.6	11,819	10.5
Upper	89,147	62,303	40.2	69.9	20,251	22.7	6,593	7.4
Unknown	2,320	40	0.0	1.7	1,956	84.3	324	14.0
Total AA	259,204	154,795	100.0	59.7	79,269	30.6	25,140	9.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,472	6.3	1,270	6.0	193	9.4	9	5.8
Moderate	2,563	11.0	2,277	10.8	275	13.3	11	7.1
Middle	8,144	35.0	7,478	35.5	622	30.2	44	28.6
Upper	10,864	46.7	9,837	46.7	940	45.6	87	56.5
Unknown	242	1.0	207	1.0	32	1.6	3	1.9
Total AA	23,285	100.0	21,069	100.0	2,062	100.0	154	100.0
Percentage of Total Businesses:				90.5		8.9		0.7
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	8	3.6	8	3.7	0	0.0	0	0.0
Moderate	9	4.1	8	3.7	1	33.3	0	0.0
Middle	115	51.8	114	52.8	0	0.0	1	33.3
Upper	88	39.6	85	39.4	1	33.3	2	66.7
Unknown	2	0.9	1	0.5	1	33.3	0	0.0
Total AA	222	100.0	216	100.0	3	100.0	3	100.0
Percentage of Total Farms:				97.3		1.4		1.4
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

The following chart depicts government and private sector employees by industry for the assessment area. A large portion of area employment for residents comes from healthcare, government, retail trade, manufacturing, and accommodation and food services. Major area employers include The University of Tennessee – Knoxville and Medical Center and East Tennessee Children’s Hospital.

Knoxville-Morristown-Sevierville, TN Employees by Industry												
	2020 - Q2	2020 - Q3	2020 - Q4	2021 - Q1	2021 - Q2	2021 - Q3	2021 - Q4	2022 - Q1	2022 - Q2	2022 - Q3	2022 - Q4	2023 - Q1
Government												
Government Total, all industries	35,714	35,635	37,480	36,547	36,852	35,709	37,751	37,147	37,298	35,939	38,905	38,655
Private Sector												
Private Sector Total, all industries	227,841	238,373	245,618	242,484	246,198	249,948	254,106	254,904	258,605	261,795	264,137	262,387
Agriculture, forestry, fishing and hunting	228*	172*	163*	201*	200*	215*	154*	211*	198*	177*	152*	124*
Mining, quarrying, and oil and gas extraction	191*	171*	165*	164*	172*	177*	192*	212*	207*	214*	203*	210*
Utilities	3*	6*	0*	23*	29*	32*	31*	40*	41*	41*	45*	28*
Construction	13,328*	13,458*	13,505*	13,260*	13,725*	14,037*	14,047*	14,125*	14,682*	14,911*	15,380	14,735*
Manufacturing	23,844	24,568	24,927	25,087	25,131	25,377	25,759	25,848	26,499	27,069	27,235	26,250
Wholesale trade	12,244*	12,396*	12,605*	12,556*	12,667*	12,879*	13,097*	13,142*	13,297*	13,478*	13,700*	14,390*
Retail Trade	33,305	34,981	36,904	36,193	36,057	36,072	37,594	37,101	36,982	36,885	38,327	37,430
Transportation and warehousing	10,087*	10,531*	11,375*	11,439*	11,518*	11,860*	12,641*	12,128*	12,078*	12,196*	12,543*	12,379*
Information	4,460	4,502	4,550	4,024	4,269	4,442	4,493	4,859	4,955	4,959	4,996	5,010
Finance and insurance	9,837	9,820	9,840	10,169	10,152	10,253	9,739	9,885	9,890	10,035	9,980	10,235
Real estate and rental and leasing	3,618	3,596	3,699	3,747	3,872	3,986	4,017	4,101	4,202	4,363	4,366	4,106
Professional and technical services	12,101*	12,388*	12,765*	12,939*	13,542*	13,997*	14,118*	14,449	14,393	14,526	14,658	14,393
Management of companies and enterprises	6,237*	6,527*	6,560*	6,838*	7,008*	7,275*	7,271*	7,231	7,083	7,168	7,117	6,766
Administrative and waste services	21,503	22,269	23,850	22,911	22,357	22,489	23,868	23,570	23,446	23,680	23,313	23,500
Educational services	2,561*	2,608*	2,752*	2,788*	2,837*	2,751*	2,908*	3,015*	3,091*	3,083*	3,316*	3,296*
Health care and social assistance	38,776*	39,953*	40,691*	40,002*	40,054*	40,152*	40,102*	40,273*	40,665*	41,303*	41,543*	41,758*
Arts, entertainment, and recreation	2,775	3,322	3,008	2,850	3,566	3,687	3,370	3,263	3,846	4,085	3,678	3,826
Accommodation and food services	22,161	25,840	26,734	26,096	27,440	28,666	29,142	30,092	31,275	31,629	31,980	31,684
Other services, except public administration	6,665	7,204	7,338	7,297	7,585	7,622	7,482	7,618	7,815	7,919	7,962	8,078
Public administration	0	0	0	0	0	0	0	0	0	0	0	0
Unclassified	14	7	8	4	9	10	19	41	88	139	164	129

Source: Bureau of Labor Statistics(BLS), Quarterly Census of Employment and Wages

* indicates that some or all of the data for this category was suppressed for confidentiality reasons

Recent and historical unemployment rates since the previous evaluation are included in the following table.

Knoxville-Morristown-Sevierville, TN Unemployment Rates					
Area	2018	2019	2020	2021	2022
Knoxville-Morristown-Sevierville, TN	3.1%	3.0%	6.2%	3.6%	3.0%
Hamblen County, TN	3.8%	3.8%	7.1%	4.2%	3.6%
Jefferson County, TN	3.8%	3.7%	7.5%	4.3%	3.6%
Knox County, TN	2.9%	2.9%	5.9%	3.4%	2.9%
Knoxville, TN MSA	3.2%	3.1%	6.2%	3.7%	3.1%
Morristown, TN MSA	3.8%	3.8%	7.3%	4.3%	3.7%
Tennessee	3.5%	3.3%	7.5%	4.5%	3.4%

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

While unemployment rates increased from 2019 to 2020 as a result of the COVID-19 pandemic, rates have steadily decreased from 2020 to 2022 across all counties within the assessment area, the MSAs, and the State of Tennessee. Unemployment rates for the assessment area approximate unemployment rates for the Knoxville, TN MSA, and are lower than unemployment rates for the Morristown, TN MSA and generally lower than the State of Tennessee.

Knoxville-Morristown-Sevierville, TN Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Knoxville-Morristown-Sevierville, TN	\$66,862	\$74,197	11.0%
Hamblen County, TN	\$50,845	\$57,338	12.8%
Jefferson County, TN	\$56,344	\$61,416	9.0%
Knox County, TN	\$70,797	\$79,265	12.0%
Knoxville, TN MSA	\$65,368	\$72,608	11.1%
Morristown, TN MSA	\$52,546	\$58,448	11.2%
Tennessee	\$61,304	\$68,793	12.2%
Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.			

As noted in the preceding table, the median family income has increased within the assessment area during the evaluation period. Despite the increase in median family income across most areas, a majority of local housing cost burden percentages remained higher than, or near, 30 percent of household incomes during the review period for low- and moderate-income renters and owners within the assessment area, as presented in the chart below, suggesting that housing expense is a burden for many in the area.

Knoxville-Morristown-Sevierville, TN Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Knoxville-Morristown-Sevierville, TN	70.8%	37.5%	40.5%	51.1%	25.2%	14.8%
Hamblen County, TN	80.1%	13.2%	44.0%	45.6%	15.0%	13.1%
Jefferson County, TN	62.4%	25.4%	30.0%	51.3%	24.6%	14.7%
Knox County, TN	70.1%	41.8%	40.9%	52.0%	26.9%	15.1%
Knoxville, TN MSA	67.5%	32.4%	38.2%	49.1%	22.7%	15.1%
Morristown, TN MSA	70.8%	18.3%	37.2%	46.7%	20.1%	14.3%
Tennessee	71.4%	39.0%	40.4%	53.7%	26.7%	16.7%
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy						

A local official from an organization that provides temporary emergency housing for low- and moderate-income individuals and families was contacted during the evaluation to assist in evaluating the bank's CRA performance and to discuss local economic conditions and community credit needs within the assessment area. The organization's purpose is to provide temporary housing and education assistance for homeless individuals and families and assists them in identifying long-term affordable housing and permanent employment. In recent years, the organization has provided 441 individuals, including 34 children, with temporary housing for approximately 7,000 nights and 21,000 meals per year. The organization receives funding through grants, government aid, an annual fundraiser, monetary donations, and in-kind donations, such as hygiene products and bottled water. According to the contact, the large volume of individuals and families seeking assistance from the organization is attributed to a lack of affordable housing within the area, as well as a growing number of individuals struggling with substance abuse, and a limited number of sustainable jobs and public transportation available to marginalized individuals. The contact noted that with the rising cost of everyday items and food as a result of inflation, as well as the increase in demand for short-term emergency housing, financial and in-kind donations are a high need for the organization in order to continue carrying out its mission. The contact did not note any issues with local financial institutions and was unaware of any discriminatory activities or practices taking place.

HTB holds a strong deposit market share within the assessment area (10th of 31 banks operating within the assessment area) having 2% of all FDIC-insured deposits as of June 30, 2023. Overall, opportunities for community development loans and investments within the market area are readily available. Despite it being a competitive market, the bank faces no significant constraints in taking advantage of all available community development opportunities. HTB serves the assessment area through its array of banking services and products, which includes community development loans, investments, and services that benefit low- and moderate-income borrowers and areas, and small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE KNOXVILLE-MORRISTOWN-SEVIERVILLE, TN ASSESSMENT AREA

The bank's Lending Test performance in the Knoxville-Morristown-Sevierville, TN assessment area is High Satisfactory. Lending levels show adequate responsiveness to assessment area credit needs. Overall, the geographic distribution of lending is excellent, while the lending among borrowers of different income levels and businesses of different sizes is good. The bank is a leader in making community development loans within the assessment area.

The Investment Test performance is High Satisfactory, and the bank holds a significant level of qualified community development investments and grants that benefit the assessment area. Through its qualified investments and grants, the bank exhibits good responsiveness to credit and community development needs.

The Service Test performance is Low Satisfactory. The bank's delivery systems are readily accessible to all portions of the assessment area. Since the previous evaluation, branching activity has generally not adversely impacted the accessibility of its delivery systems, especially to low- and moderate-income residents and geographies, and business hours and services do not vary in a way that inconveniences any particular individual or area. Further, the bank provides an adequate level of community development services that benefit the assessment area.

LENDING TEST

The institution's overall lending performance within this assessment area is considered High Satisfactory. This conclusion is based on the evaluation of the bank's lending activity, the geographic and borrower lending distribution and the level of community development lending while considering the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data. Additionally, the bank makes use of flexible lending practices in serving the credit needs of the assessment area.

Lending Activity:

The bank's residential mortgage and small business lending within the assessment area, as measured by number (4.5%) and dollar (5%) as a percentage of the institution overall, is lower than the percentage of deposits (10.5%) and the percentage of branch offices (11.1%). As of June 30, 2023, HTB ranked 10th out of 31 financial institutions in deposit market share with 2% of the area's available FDIC-insured deposits (excluding credit union deposits). According to 2022 aggregate data, the institution ranked 64th of 554 reporters of mortgage lending with a .2% market share and ranked 24th of 125 reporters of small business loans with a .4% market share. All market share rankings consider originated and purchased loans. Lending activity reflects adequate responsiveness to assessment area credit needs and is considered adequate overall.

Geographic Distribution:

The geographic loan distribution within this assessment is considered excellent for both residential mortgage and small business lending. Within this assessment area, residential mortgage lending accounts for \$34.5 million, compared to small business lending which accounts for \$23.1 million.

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Knoxville-Morristown-Sevierville, TN													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	%	#	##	##	\$(000)	%	%	
Home Purchase Loans													
Low	2	9.1	3.2	195	4.6	1.9	1	8.3	4.3	170	4.1	2.5	3.2
Moderate	3	13.6	12.6	521	12.3	8.4	1	8.3	12.4	147	3.6	8.9	11.5
Middle	8	36.4	44.1	1,645	38.7	38.3	6	50.0	44.5	2,544	62.0	39.5	45.0
Upper	9	40.9	40.1	1,892	44.5	51.3	4	33.3	38.7	1,242	30.3	49.1	40.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	22	100.0	100.0	4,253	100.0	100.0	12	100.0	100.0	4,103	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	1.6	0	0.0	1.0	0	0.0	3.5	0	0.0	2.3	3.2
Moderate	4	14.3	8.3	1,334	19.9	5.7	3	25.0	10.5	201	11.2	7.6	11.5
Middle	14	50.0	42.2	3,871	57.6	35.6	6	50.0	47.0	911	50.9	41.1	45.0
Upper	10	35.7	47.9	1,514	22.5	57.7	3	25.0	38.9	677	37.8	48.8	40.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	28	100.0	100.0	6,719	100.0	100.0	12	100.0	100.0	1,789	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	1.8	0	0.0	1.2	0	0.0	2.8	0	0.0	3.9	3.2
Moderate	1	20.0	8.8	50	15.4	6.9	2	16.7	9.2	76	8.1	6.4	11.5
Middle	3	60.0	37.3	250	76.9	32.1	9	75.0	38.8	802	85.9	33.0	45.0
Upper	1	20.0	52.1	25	7.7	59.7	1	8.3	49.2	56	6.0	56.7	40.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	5	100.0	100.0	325	100.0	100.0	12	100.0	100.0	934	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	14.5	0	0.0	6.9	0	0.0	20.6	0	0.0	19.4	19.0
Moderate	2	66.7	32.5	8,000	62.5	22.1	0	0.0	14.0	0	0.0	5.8	14.5
Middle	1	33.3	30.1	4,800	37.5	31.2	0	0.0	33.8	0	0.0	30.9	31.4
Upper	0	0.0	22.9	0	0.0	39.9	1	100.0	30.9	1,360	100.0	43.7	30.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.7	0	0.0	0.2	4.7
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	3	100.0	100.0	12,800	100.0	100.0	1	100.0	100.0	1,360	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	2	3.0	2.3	195	0.8	1.8	1	2.1	3.8	170	1.7	4.8	3.2
Moderate	10	14.9	10.3	9,905	39.9	8.1	8	17.0	11.3	663	6.8	8.0	11.5
Middle	33	49.3	42.7	11,125	44.8	36.4	23	48.9	44.2	4,432	45.6	38.1	45.0
Upper	22	32.8	44.7	3,601	14.5	53.7	15	31.9	40.6	4,456	45.8	49.0	40.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	67	100.0	100.0	24,826	100.0	100.0	47	100.0	100.0	9,721	100.0	100.0	100.0

Source: 2022 FFIEC Census Data

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

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

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Multifamily lending was given less weight due to the limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance, home purchase and home improvement lending are all excellent.

As reflected in the preceding table, HTB's percentage of 2021 HMDA lending in low-income census tracts (3%) was higher than the aggregate lending level (2.3%) and approximated the percentage of owner-occupied housing units located in such tracts (2.7%). The bank's level of lending in moderate-income census tracts (14.9%) was higher than the level of aggregate lending in such tracts (10.3%) and the percentage of owner-occupied housing units located in such tracts (12.6%). Overall, the bank's 2021 performance is considered excellent, and its performance during 2022 is substantially similar.

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography												
Assessment Area: Knoxville-Morristown-Sevierville, TN												
Geographic Income Level	Bank And Aggregate Loans By Year											
	2021						2022					
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%
Low	4	10.8	4.1	1,900	22.2	4.1	6	13.3	4.7	2,775	19.1	5.1
Moderate	7	18.9	13.7	1,244	14.5	13.8	12	26.7	11.5	3,858	26.5	13.5
Middle	17	45.9	35.7	4,298	50.2	32.8	7	15.6	35.5	2,459	16.9	29.7
Upper	9	24.3	46.1	1,127	13.2	49.1	20	44.4	47.5	5,474	37.6	50.9
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.3	0	0.0	0.7
Tract-Unk	0	0.0	0.3	0	0.0	0.1	0	0.0	0.5	0	0.0	0.1
Total	37	100.0	100.0	8,569	100.0	100.0	45	100.0	100.0	14,566	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey												
Note: Percentages may not total 100.0 percent due to rounding.												

The bank's percentage of 2021 small business lending in low-income census tracts (10.8%) is substantially higher than the aggregate reporters' lending level (4.1%) and the percentage of businesses located in such tracts (5.5%). Similarly, the bank's percentage of small business lending in moderate-income census tracts (18.9%) is higher than the aggregate lending level (13.7%) and the percentage of businesses located in such tracts (15.5%). Overall, the bank's small business lending performance during 2021 is considered excellent, and its performance during 2022 is substantially similar.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's borrower distribution is considered good for both residential mortgage lending and for small business lending and consequently, good overall.

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Knoxville-Morristown-Sevierville, TN													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	%	#	##	##	\$(000)	%	%	
Home Purchase Loans													
Low	1	4.5	4.9	151	3.6	2.6	1	8.3	5.2	170	4.1	2.5	19.1
Moderate	3	13.6	18.4	454	10.7	12.6	0	0.0	17.8	0	0.0	12.1	16.8
Middle	0	0.0	19.2	0	0.0	16.5	1	8.3	21.3	432	10.5	18.5	19.9
Upper	17	77.3	41.6	3,452	81.2	53.1	10	83.3	38.6	3,501	85.3	51.3	44.2
Unknown	1	4.5	15.9	196	4.6	15.3	0	0.0	17.0	0	0.0	15.6	0.0
Total	22	100.0	100.0	4,253	100.0	100.0	12	100.0	100.0	4,103	100.0	100.0	100.0
Refinance Loans													
Low	2	7.1	5.1	62	0.9	2.7	3	25.0	11.2	112	6.3	6.5	19.1
Moderate	3	10.7	14.6	301	4.5	9.8	3	25.0	21.5	246	13.8	16.3	16.8
Middle	7	25.0	18.7	679	10.1	15.1	3	25.0	22.2	393	22.0	20.3	19.9
Upper	13	46.4	41.6	5,089	75.7	51.5	3	25.0	31.6	1,038	58.0	42.2	44.2
Unknown	3	10.7	20.0	588	8.8	20.9	0	0.0	13.6	0	0.0	14.7	0.0
Total	28	100.0	100.0	6,719	100.0	100.0	12	100.0	100.0	1,789	100.0	100.0	100.0
Home Improvement Loans													
Low	1	20.0	5.6	25	7.7	2.7	3	25.0	8.3	186	19.9	5.0	19.1
Moderate	1	20.0	14.4	25	7.7	10.5	1	8.3	15.0	20	2.1	10.9	16.8
Middle	0	0.0	17.1	0	0.0	13.9	2	16.7	20.5	107	11.5	16.1	19.9
Upper	2	40.0	60.1	225	69.2	69.0	6	50.0	53.0	621	66.5	64.8	44.2
Unknown	1	20.0	2.8	50	15.4	3.9	0	0.0	3.1	0	0.0	3.2	0.0
Total	5	100.0	100.0	325	100.0	100.0	12	100.0	100.0	934	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	5	7.8	5.0	258	2.1	2.6	8	17.4	7.5	547	6.5	3.7	19.1
Moderate	8	12.5	16.0	830	6.9	11.1	5	10.9	18.3	420	5.0	13.0	16.8
Middle	8	12.5	18.7	779	6.5	15.7	6	13.0	21.4	932	11.1	18.7	19.9
Upper	38	59.4	42.7	9,325	77.5	52.9	26	56.5	38.6	6,302	75.4	50.0	44.2
Unknown	5	7.8	17.6	834	6.9	17.7	1	2.2	14.2	160	1.9	14.6	0.0
Total	64	100.0	100.0	12,026	100.0	100.0	46	100.0	100.0	8,361	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance lending is considered good, while its performance for home purchase lending is adequate, and its performance for home improvement lending is considered excellent.

In 2021, the bank's overall level of HMDA lending to low-income borrowers (7.8%) was higher than the aggregate lending levels to such borrowers (5%), both of which were lower than the percentage of low-income families within the assessment area (20.6%). The bank's lending to moderate-income borrowers (12.5%) lagged the aggregate lending levels to such borrowers (16%) and the percentage of moderate-income families within the area (16%). Overall, the bank's performance during 2021 is considered good, and its performance during 2022 is substantially similar.

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Knoxville-Morristown-Sevierville, TN													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	12	32.4	45.6	3,020	35.2	29.1	22	48.9	47.2	7,537	51.7	33.6	90.5
Over \$1 Million	12	32.4		3,721	43.4		19	42.2		6,484	44.5		8.9
Revenue Unknown	13	35.1		1,828	21.3		4	8.9		545	3.7		0.7
Total	37	100.0		8,569	100.0		45	100.0		14,566	100.0		100.0
By Loan Size													
\$100,000 or Less	16	43.2	87.6	1,080	12.6	27.2	15	33.3	89.7	819	5.6	28.8	
\$100,001 - \$250,000	12	32.4	6.5	2,217	25.9	18.9	9	20.0	5.3	1,800	12.4	18.1	
\$250,001 - \$1 Million	9	24.3	5.8	5,272	61.5	53.9	21	46.7	4.9	11,947	82.0	53.1	
Total	37	100.0	100.0	8,569	100.0	100.0	45	100.0	100.0	14,566	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	5	41.7		305	10.1		6	27.3		290	3.8		
\$100,001 - \$250,000	3	25.0		668	22.1		7	31.8		1,450	19.2		
\$250,001 - \$1 Million	4	33.3		2,047	67.8		9	40.9		5,797	76.9		
Total	12	100.0		3,020	100.0		22	100.0		7,537	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

D&B data from 2021 indicates that 90.3% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 32.4% were to businesses with revenues of \$1 million or less, while 45.6% of the aggregate lending level were to businesses with revenues of \$1 million or less. The percentage of the bank's small business loans extended to businesses with revenues of \$1 million or less was impacted by a considerable volume of loans for which borrower revenue was unknown (35.1% of all loans). As previously noted, the bank was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, 50% of the bank's small business loans were to businesses with annual revenues of \$1 million or less.

Aggregate small business data was also considered as an element of performance context in evaluating the bank's distribution by business revenue. During 2021, 45.6% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loan, which limits its impact as a proxy when evaluating the bank's performance.

Because small dollar loans can demonstrate a willingness to provide credit to small businesses, the bank's distribution by loan size was also considered. Overall, the bank originated 43.2% of its small business loans in amounts of \$100,000 or less, which was substantially lower than the aggregate level of such lending (87.6%).

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

Distribution of 2021 PPP Small Business Loans with No Revenue By Loan Size Assessment Area: Knoxville-Morristown-Sevierville, TN				
	Bank			
	#	#%	\$(000)	%
By Loan Size				
\$100,000 or Less	1	33.3%	7	1.1%
\$100,001 - \$250,000	1	33.3%	105	16.0%
\$250,001 - \$1 Million	1	33.3%	546	83.0%
Total	3	100.0%	658	100.0%
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>				

Within the assessment area, less than a majority (33.3%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that a portion of the bank's PPP lending helped serve the needs of small businesses within the area.

The bank's 2021 borrower distribution performance of lending to small businesses is considered adequate.

D&B data from 2022 indicates that 90.5% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 48.9% were to businesses with revenues of \$1 million or less, while 47.2% of the aggregate lending level were to businesses with revenues of \$1 million or less. The bank's borrower distribution performance during 2022 is considered good.

On a combined basis, the bank's borrower distribution of small business loans is considered good.

Community Development Loans:

Opportunities for community development lending are readily available within the Knoxville-Morristown-Sevierville, TN assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period, HTB was a leader in making community development loans within this market. Five qualified community development loans totaling \$19.1 million were originated during the evaluation period that directly benefit the assessment area. All five community development loans were to businesses and will create permanent jobs within the assessment area.

INVESTMENT TEST

Overall, HTB has a significant level of qualified community development investments that benefit the assessment area. The bank holds five qualified investments that directly benefit the Knoxville-Morristown-Sevierville, TN assessment area totaling approximately \$3.3 million for the evaluation period. The five investments support low- and moderate-income affordable housing and multifamily housing complexes within the area. These investments demonstrate good responsiveness to the affordable housing and community development needs within the area. In addition, the bank made qualified investments in the form of donations totaling \$7,750. The breakdown of community development donations is detailed in the following table:

Community Development Definition	#	\$
Affordable Housing	2	\$750
Community Services to Low/Moderate-Income People	5	\$2,450
Economic Development	7	\$4,550
Total	14	\$7,750

Investments that benefit the Knoxville-Morristown-Sevierville, TN assessment area include:

- **Freddie Mac Multifamily Loan Pools:** Four investments totaling approximately \$3 million in loan pools comprised of affordable multifamily housing projects within the assessment area.
- **Knoxville Habitat for Humanity:** One investment in a mortgage-backed security totaling \$339,909 to an organization that provides affordable housing to low- and moderate-income individuals and families.

HTB's Investment Test performance in the Knoxville-Morristown-Sevierville, TN assessment area is considered High Satisfactory.

SERVICE TEST

Within the assessment area, HTB's performance under the Service Test is considered Low Satisfactory. Systems for delivering retail banking services are readily accessible to all portions of the assessment area, including low- and moderate-income areas, and do not vary in a way that inconveniences low- and moderate-income individuals or areas within the area. Additionally, the bank has provided an adequate level of qualified services to community development organizations. The bank closed one branch office within the assessment area since the previous evaluation, which was located in a middle-income census tract.

Retail Services:

Delivery systems are readily accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail, online banking, and mobile banking services are also offered by the institution. In addition, HTB provides customers with 24-hour telephone access to their accounts through an automated system. Additionally, the bank's business hours and services offered do not vary in a way that inconveniences low- or moderate-income geographies or individuals within the area.

HTB operates four full-service branch offices in the assessment area, of which none are located in low-income census tracts, and two (50%) are located in moderate-income census tracts. The geographic distribution of branches is excellent when considering that 7.4% and 13.5% of the assessment area's households reside in low- and moderate-income census tracts, respectively. The bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies. As previously noted, HTB closed one full-service branch during the review period, which was located in a middle-income census tract.

Community Development Services:

The bank provides an adequate level of community development services in the Knoxville-Morristown-Sevierville, TN assessment area. One bank employee volunteered their time and utilized their financial expertise by serving on the board of directors of Girls Incorporated of Hamblen County, an organization that provides literacy, education, and wellness programs to girls from low- and moderate-income households within the assessment area.

COMMONWEALTH OF VIRGINIA

CRA RATING FOR VIRGINIA³: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

Major factors supporting the rating include:

- Lending activity reflects adequate responsiveness to community credit needs given the bank's capacity within highly competitive markets.
- Geographic and borrower distribution performances are each considered adequate overall.
- Overall, the bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses.
- The bank has originated or renewed an adequate level of community development loans and made use of flexible lending practices in serving the assessment area's credit needs.
- HTB holds a significant level of qualified investments that benefit its assessment areas within the Commonwealth of Virginia, exhibiting good responsiveness to community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are reasonably accessible to geographies and individuals of different income levels in the Commonwealth of Virginia. Since the previous evaluation, branching activity has not adversely impacted the accessibility of its delivery systems, particularly to low- and moderate-income neighborhoods and individuals. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within its assessment areas.
- The bank and its employees provide an adequate level of community development services within its assessment areas.

SCOPE OF EXAMINATION

Within the Roanoke, VA MSA assessment area, the Lending Test review considered residential mortgage (HMDA), small business, and small farm loans (CRA), originated or purchased, from January 1, 2021, through December 31, 2022. Within the Danville, VA NonMSA assessment area, the bank closed its branches in September 2021, and no longer delineated the assessment area beginning in 2022. Consequently, the Lending Test within the Danville, VA NonMSA assessment area considered residential mortgage, small business, and small farm loans, originated or purchased, from January 1, 2021, through December 31, 2021. Small farm loans were excluded from further analysis in all Virginia assessment areas given the limited volume of originations during the review period. Community development loans made during this evaluation period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or funded as of the evaluation date, regardless of when made, were also considered.

³ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Performance in the Commonwealth of Virginia was evaluated by applying the full-scope interagency examination procedures to the Roanoke, VA MSA assessment area, which accounts for 89.1% of lending by number of loans, 100% of branches, and 100% of deposits within the Commonwealth of Virginia. Danville, VA NonMSA, which is the only other assessment area within the Commonwealth of Virginia, was reviewed using limited-scope interagency examination procedures.

The overall state rating was driven by the bank's performance within the Roanoke, VA MSA assessment area, and for the remaining assessment area subject to limited review procedures, a determination was made as to whether the performance was consistent with the assigned state rating.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN VIRGINIA

HTB operates six full-service branches within the Roanoke, VA MSA assessment area. None of the branches are located within low-income census tracts, while one (16.7%) is located within a moderate-income census tract. According to FDIC deposit data as of June 30, 2023, these six branch offices account for approximately \$289.8 million of the bank's total deposits. The bank also operated three branch offices in the Danville, VA NonMSA assessment area; however, the bank closed these branches in September 2021 and no longer delineates the assessment area. Of the three branches within the Danville, VA NonMSA assessment area, one was located in a low-income census tract, while the remaining two branches were located in middle- and upper-income census tracts.

Based on 2015 ACS data, both assessment areas within the Commonwealth of Virginia have a total population of 483,664, including 130,578 families. A majority of the families continue to be middle- and upper-income (22.3% and 38.3%, respectively), while low- and moderate-income families each comprised 21.5% and 17.9%, respectively. Within these assessment areas, the owner-occupancy rate is 59.7%, which approximates the average rate for the entire Commonwealth of Virginia (59.2%). The poverty rate of the assessment areas served by the bank is 11.7%, which is higher than the statewide rate (8.2%). The 2021 median family incomes within the Roanoke, VA MSA is \$75,400, while the median family income for nonmetropolitan areas of Virginia equals \$58,900. As described in the respective assessment areas of this report, there are underserved and/or distressed middle-income census tracts within some of the Commonwealth of Virginia assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN VIRGINIA

The bank's Lending Test performance within the Commonwealth of Virginia is considered Low Satisfactory. Lending activities show adequate responsiveness to assessment area credit needs. Overall, the geographic distribution of loans is considered adequate, and borrower distribution of loans is also considered adequate, and the bank made an adequate level of community development loans.

The Investment Test performance is High Satisfactory, and the bank holds a significant level of qualified community development investments and grants that benefit the Commonwealth of Virginia. Through its qualified investments and grants, the bank exhibits a good responsiveness to credit and community development needs.

The Service Test performance is Low Satisfactory. The bank's delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the Commonwealth of Virginia. Since the previous evaluation, branching activity within the full-scope assessment areas has not adversely impacted the accessibility of its delivery systems within the Commonwealth of Virginia. Business hours and services do not vary in a way that inconveniences any particular individual or area. Further, the bank provides an adequate level of community development services that benefit the Commonwealth of Virginia.

LENDING TEST

Overall, the statewide Lending Test is rated Low Satisfactory. As previously mentioned, conclusions for the bank's Lending Test were based upon the performance within the full-scope assessment area. Performance for the Lending Test is based on an evaluation of the institution's lending activity, the geographic and borrower distribution of lending, as well as the level of community development lending, while considering the bank's market strategy, area demographic data, and aggregate HMDA and CRA loan data.

Lending Activity:

HTB's residential mortgage and small business lending within the Commonwealth of Virginia assessment areas, as measured by number of loans (6.3%) and dollar volume (5.2%) approximates the percentage of deposits (8%) but lags the percentage of branch offices (16.7%). While it only accounts for deposits in the Roanoke, VA MSA assessment area, HTB ranked 9th out of 16 institutions in deposit market share with 3.2% of the available FDIC-insured deposits (credit union deposits are not included) within the Commonwealth of Virginia. When compared to 2021 aggregate data, the institution ranked 41st of 435 reporters of mortgage lending with a .5% market share and ranked 21st of 96 reporters of small business loans with a .9% market share. Residential mortgage and small business market share rankings from 2022 are discussed under the Roanoke, VA MSA assessment area section of this report. All market share rankings consider originated and purchased loans. Overall, lending activity is considered adequate for the Commonwealth of Virginia.

Geographic and Borrower Distribution:

Overall, HTB's geographic distribution performance is considered adequate, and its borrower distribution performance is also considered adequate. When reaching overall conclusions, the level of performance for each product is typically weighted by the dollar volume of each product by year and overall. Within the full-scope assessment area in the Commonwealth of Virginia, small business loans were generally the larger product by dollar volume, followed by residential mortgage loans. The volume of small farm lending is substantially lower than small business and residential mortgage lending and is too limited to conduct meaningful geographic and borrower distribution analyses in all Virginia assessment areas; therefore, small farm lending was omitted from the geographic and borrower distribution analyses.

Community Development Loans:

The bank originates or renews an adequate level of community development loans within the Commonwealth of Virginia. During the evaluation period, HTB funded one community development loan totaling approximately \$1 million in its Commonwealth of Virginia assessment area to finance the construction of a multifamily affordable housing development. Local lending opportunities are reasonably available when considering competition, bank size, and economic conditions. The institution faces no lending constraints relative to its size and business strategy.

INVESTMENT TEST

HTB's Investment Test performance in the Commonwealth of Virginia is High Satisfactory. The bank has a significant level of qualified community development investments and grants. The bank holds three investments totaling \$2.5 million that directly benefit the Commonwealth of Virginia. Additionally, four charitable donations totaling \$10,168 were made during the review period to organizations providing community development programs and economic development throughout the Commonwealth of Virginia.

In addition to the investments that benefit specific assessment areas within the Commonwealth of Virginia, the bank holds one subordinated note totaling \$100,000 issued by Virginia Community Capital Bank, which is a Community Development Financial Institution (CDFI) designated bank where funds are specifically earmarked for community development activities within the Commonwealth of Virginia.

SERVICE TEST

The bank's statewide rating under the Service Test is Low Satisfactory. During the review period, HTB closed three branch offices throughout the Commonwealth of Virginia; all three closures were located in the Danville, VA NonMSA limited-scope assessment area. Of the total branch closures, one was located in a low-income census tract, while the remaining two branches were located in middle- and upper-income census tracts. Overall, the changes to the bank's branch office locations within the full-scope assessment area did not adversely affected the accessibility of branches, particularly to low- and moderate-income residents. Products and services offered within the Commonwealth of Virginia assessment areas that were evaluated under the full-scope evaluation procedures are representative of those offered by the institution overall. In addition, business hours and services do not vary in a way that inconveniences the needs of any of its assessment areas. Delivery systems are reasonably accessible to geographies and individuals of different income levels in the Commonwealth of Virginia.

The bank and its employees provide an adequate level of community development services throughout the Commonwealth of Virginia, with two employees volunteering their time and expertise at two organizations that provide community services to low- and moderate-income residents within the Commonwealth of Virginia. Additional details of specific community development service activities are discussed in their respective assessment area evaluation.

METROPOLITAN AREAS

FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ROANOKE, VA MSA ASSESSMENT AREA

HTB operates six branch offices within the assessment area, which is comprised of the Roanoke, VA MSA in its entirety, which includes all of Botetourt, Craig, Franklin, and Roanoke Counties, and Roanoke and Salem cities. The complete composition of the assessment area for 2021 and 2022 is detailed in *Appendix F*.

Based on 2020 ACS data, the assessment area has a total population of 315,251 and a median housing value of \$183,839. Within the assessment area, the owner-occupancy rate is 60.1%, which approximates the owner-occupancy rate for the Commonwealth of Virginia (60%). The percentage of families living below the poverty level in the assessment area (8.8%) is higher than the percentage of families living below the poverty level across the Commonwealth of Virginia (6.8%). Median family incomes for the MSA are detailed in the table below.

Median Family Income	2021	2022
Roanoke, VA MSA	\$75,400	\$86,200

As indicated in the preceding table, the median family income for the Roanoke, VA MSA increased between 2021 and 2022. The following table provides family and household demographic information for the assessment area, as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides D&B business data.

2022 Roanoke, VA MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	4	5.1	2,888	3.6	1,145	39.6	16,386	20.6
Moderate	19	24.4	16,969	21.4	2,687	15.8	14,267	18.0
Middle	31	39.7	33,158	41.8	2,299	6.9	16,081	20.3
Upper	24	30.8	26,337	33.2	858	3.3	32,618	41.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	78	100.0	79,352	100.0	6,989	8.8	79,352	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	6,315	1,773	2.0	28.1	3,711	58.8	831	13.2
Moderate	33,699	18,108	20.5	53.7	11,435	33.9	4,156	12.3
Middle	61,885	37,417	42.5	60.5	16,947	27.4	7,521	12.2
Upper	44,780	30,821	35.0	68.8	7,712	17.2	6,247	14.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	146,679	88,119	100.0	60.1	39,805	27.1	18,755	12.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	485	3.5	426	3.3	57	5.6	2	1.6
Moderate	2,832	20.2	2,578	20.0	232	22.9	22	17.1
Middle	5,631	40.1	5,175	40.2	405	40.1	51	39.5
Upper	5,081	36.2	4,710	36.5	317	31.4	54	41.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	14,029	100.0	12,889	100.0	1,011	100.0	129	100.0
Percentage of Total Businesses:				91.9		7.2		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2	0.7	2	0.7	0	0.0	0	0.0
Moderate	41	13.8	41	14.2	0	0.0	0	0.0
Middle	155	52.2	148	51.2	6	85.7	1	100.0
Upper	99	33.3	98	33.9	1	14.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	297	100.0	289	100.0	7	100.0	1	100.0
Percentage of Total Farms:				97.3		2.4		0.3
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

The following chart depicts government and private sector employees by industry for the assessment area. A large portion of area employment for residents comes from healthcare, government, retail trade, manufacturing, and accommodation and food services. Major area employers include HCA Virginia Health Systems, U.S. Department of Veterans Affairs, Roanoke Memorial Community Hospital, Carilion Services, United Parcel Service, and Wells Fargo Bank NA.

Roanoke, VA MSA Employees by Industry												
	2020 - Q2	2020 - Q3	2020 - Q4	2021 - Q1	2021 - Q2	2021 - Q3	2021 - Q4	2022 - Q1	2022 - Q2	2022 - Q3	2022 - Q4	2023 - Q1
Government												
Government Total, all industries	19,885	18,808	21,026	20,819	20,928	19,817	21,299	21,077	21,078	20,164	21,585	21,399
Private Sector												
Private Sector Total, all industries	116,597	122,869	125,072	123,120	124,200	125,353	126,366	124,658	127,054	128,207	128,507	127,141
Agriculture, forestry, fishing and hunting	16*	26*	13*	25*	12*	12*	13*	9*	12*	12*	26*	9*
Mining, quarrying, and oil and gas extraction	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
Utilities	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
Construction	7,414*	7,457*	7,391*	7,038*	7,340*	7,461*	7,446*	7,351*	7,764*	7,934*	7,853*	7,737*
Manufacturing	10,770*	11,313*	11,521*	11,494*	11,363*	11,563*	11,773*	11,913*	12,035*	12,154*	12,165*	16,169*
Wholesale trade	3,420*	3,429*	3,472*	3,454*	3,491*	3,597*	3,754*	3,845*	3,877*	3,910*	3,901*	3,922*
Retail Trade	14,772	15,808	16,368	16,155	16,161	16,091	16,401	16,049	15,853	15,821	16,107	15,883
Transportation and warehousing	5,568*	5,718*	6,244*	6,123*	6,064*	6,222*	6,674*	6,044*	5,891*	5,947*	6,415*	5,984*
Information	1,132*	1,135*	1,123*	1,063*	1,061*	1,095*	1,106*	1,100*	1,130*	1,136*	1,118*	1,082*
Finance and insurance	5,366*	5,255*	5,139*	4,994*	4,537*	4,538*	4,553*	4,597*	4,642*	4,619*	4,595*	4,540*
Real estate and rental and leasing	1,558*	1,636*	1,629*	1,588*	1,641*	1,705*	1,648*	1,642*	1,777*	1,819*	1,775*	1,768*
Professional and technical services	7,221	7,239	7,256	7,310	7,280	7,129	7,097	7,194	7,389	7,364*	7,435*	7,454*
Management of companies and enterprises	4,632	4,623	4,610	4,547	4,494	4,406	4,386	4,337	4,410	4,424*	4,487*	4,310*
Administrative and waste services	6,701	7,153	7,649	7,458	7,557	7,713	7,608	7,651	7,479	7,649	7,580	7,073
Educational services	1,132*	1,554*	1,320*	1,667*	1,290*	1,616*	1,369*	1,694*	2,234*	1,634*	2,387*	2,382*
Health care and social assistance	18,051*	20,519*	19,104*	20,716*	18,970*	20,509*	18,775*	20,205*	22,255*	20,503*	22,542*	22,728*
Arts, entertainment, and recreation	1,220*	1,825*	1,720*	1,644*	2,116*	2,270*	2,014*	2,062*	2,509*	2,674*	2,356*	2,275*
Accommodation and food services	8,180*	9,931*	10,778*	10,646*	11,417*	11,971*	11,986*	11,600*	12,290*	12,414*	12,116*	12,227*
Other services, except public administration	3,624	4,067	4,136	4,099	4,258	4,322	4,331	4,228	4,500	4,523	4,414	4,380
Public administration	0	0	0	0	0	0	0	0	0	0	0	0
Unclassified	355*	409*	444*	436*	376*	399*	427*	463*	554*	641*	549*	550*

Source: Bureau of Labor Statistics(BLS), Quarterly Census of Employment and Wages

* indicates that some or all of the data for this category was suppressed for confidentiality reasons

Recent and historical unemployment rates since the previous evaluation are included in the following table.

Roanoke, VA MSA Unemployment Rates					
Area	2018	2019	2020	2021	2022
Roanoke, VA MSA	3.0%	2.8%	6.2%	3.8%	2.9%
Botetourt County, VA	2.7%	2.5%	4.7%	3.0%	2.6%
Craig County, VA	3.6%	3.1%	5.3%	3.3%	3.0%
Franklin County, VA	3.1%	2.9%	5.6%	3.6%	2.9%
Roanoke County, VA	2.7%	2.5%	5.3%	3.2%	2.6%
Roanoke city, VA	3.3%	3.0%	8.0%	4.8%	3.2%
Salem city, VA	3.0%	2.8%	6.0%	3.6%	2.9%
Virginia	3.0%	2.8%	6.5%	3.9%	2.9%

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

While unemployment rates increased from 2019 to 2020 as a result of the COVID-19 pandemic, rates have steadily decreased from 2020 to 2022 across all counties within the assessment area and the Commonwealth of Virginia. Unemployment rates for the assessment area approximate the unemployment rate for the Commonwealth of Virginia.

Roanoke, VA MSA Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Roanoke, VA MSA	\$67,511	\$73,561	9.0%
Botetourt County, VA	\$77,290	\$88,043	13.9%
Craig County, VA	\$73,944	\$82,083	11.0%
Franklin County, VA	\$61,995	\$68,848	11.1%
Roanoke County, VA	\$81,448	\$86,751	6.5%
Roanoke city, VA	\$55,488	\$55,345	-0.3%
Salem city, VA	\$68,726	\$78,898	14.8%
Virginia	\$85,647	\$93,284	8.9%
<i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

As noted in the preceding table, the median family income has increased across most of the assessment area during the evaluation period; however, the median family income decreased slightly within Roanoke City during the same period. Despite the increase in median family income across most areas, a majority of local housing cost burden percentages remained higher than, or near, 30 percent of household incomes during the review period for low- and moderate-income renters and owners within the assessment area, as presented in the chart below, suggesting that housing expense is a burden for many in the area.

Roanoke, VA MSA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Roanoke, VA MSA	75.5%	25.0%	40.6%	54.6%	27.4%	16.8%
Botetourt County, VA	62.3%	20.3%	27.1%	47.4%	24.8%	14.0%
Craig County, VA	53.8%	7.4%	23.4%	20.3%	21.0%	8.8%
Franklin County, VA	68.6%	30.2%	37.8%	47.8%	24.6%	16.4%
Roanoke County, VA	81.9%	29.2%	40.9%	47.9%	31.7%	14.1%
Roanoke city, VA	75.0%	21.7%	43.6%	67.2%	28.5%	22.9%
Salem city, VA	81.0%	34.8%	36.9%	67.7%	17.8%	15.6%
Virginia	76.5%	45.9%	41.9%	60.2%	35.2%	19.1%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy</i>						

A local official from a regional planning commission was contacted during the evaluation to assist in evaluating the bank's CRA performance and to discuss local economic conditions and community credit needs within the assessment area. The commission's purpose is to partner with local government, non-profits, and quasi-governmental agencies to assist in planning and development strategies. The planning commission is divided into three departments: transportation, economic development, and environmental resiliency. The contact noted that funding for businesses and commercial projects is often provided through grants, while funding for affordable housing projects is provided through loans. The commission administers funding through programs such as Economic Development District (EDD), Community Development Block Grants (CDBG), and Virginia Housing Development Authority grants. The official stated that they recently partnered with an area credit union on a specific project. The contact was also unaware of any discrimination in the area by local financial institutions.

As of June 30, 2023, HTB ranked 9th of 16 financial institutions in local deposit market share according to data compiled by the FDIC and held 3.2% of all FDIC-insured deposits within the assessment area. Overall, opportunity for community development loans and investments within the market area is reasonably available, and the bank faces no significant constraints in taking advantage of all available community development opportunities. HTB serves the assessment area through its array of banking services and products, which includes community development loans, investments, and services that benefit low- and moderate-income borrowers and areas, and small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank's Lending Test performance in the Roanoke, VA MSA assessment area is adequate. Lending levels show adequate responsiveness to assessment area credit needs. Overall, the borrower and geographic distributions of lending are both considered adequate. The bank also originated an adequate level of community development loans within the assessment area.

The Investment Test performance is good, and the bank holds a significant level of qualified community development investments and grants that benefit the assessment area. Through its qualified investments and grants, the bank exhibits good responsiveness to credit and community development needs.

The Service Test performance is adequate. The bank's delivery systems are reasonably accessible to all portions of the assessment area. Since the previous evaluation, branching activity has not adversely impacted the accessibility of its delivery systems, especially to low- and moderate-income residents and geographies, and business hours and services do not vary in a way that inconveniences any particular individual or area. Further, the bank provides an adequate level of community development services that benefit the assessment area.

LENDING TEST

The institution's overall lending performance within this assessment area is considered adequate. This conclusion is based on the evaluation of the bank's lending activity, the geographic and borrower lending distribution and the level of community development lending while considering the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data. Additionally, the bank makes use of flexible lending practices in serving the credit needs of the assessment area.

Lending Activity:

The bank's residential mortgage and small business lending within the assessment area, as measured by number (5.6%) and dollar (4.8%) as a percentage of the institution overall is similar to the percentage of deposits (8%) but is lower than the percentage of branch offices (16.7%). As of June 30, 2023, HTB ranked 9th out of 16 financial institutions in deposit market share with 3.2% of the area's available FDIC-insured deposits (excluding credit union deposits). According to 2022 aggregate data, the institution ranked 33rd of 351 reporters of mortgage lending with a .6% market share and ranked 20th of 86 reporters of small business loans with a .5% market share. All market share rankings consider originated and purchased loans. Lending activity reflects adequate responsiveness to assessment area credit needs and is considered adequate overall.

Geographic Distribution:

The geographic loan distribution within this assessment is considered adequate for residential mortgage and good for small business lending and is considered adequate overall based on the similar dollar volume and strength of performance for each loan category. Within this assessment area, small business lending accounts for \$27.5 million, compared to residential mortgage lending which accounts for \$28.2 million.

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Roanoke, VA MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	1.8	0	0.0	0.9	0	0.0	2.2	0	0.0	1.3	2.0
Moderate	0	0.0	16.2	0	0.0	10.9	2	20.0	21.6	265	12.2	14.1	20.5
Middle	4	40.0	48.5	1,476	50.3	46.1	6	60.0	39.5	1,300	60.0	36.4	42.5
Upper	6	60.0	33.5	1,459	49.7	42.1	2	20.0	36.7	600	27.7	48.3	35.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	10	100.0	100.0	2,935	100.0	100.0	10	100.0	100.0	2,165	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.6	0	0.0	0.3	0	0.0	2.5	0	0.0	2.1	2.0
Moderate	3	11.5	11.7	269	6.4	8.1	1	10.0	22.1	44	2.7	16.3	20.5
Middle	15	57.7	46.3	1,930	45.8	41.9	5	50.0	38.8	770	47.4	37.5	42.5
Upper	8	30.8	41.4	2,012	47.8	49.6	4	40.0	36.6	811	49.9	44.2	35.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	26	100.0	100.0	4,211	100.0	100.0	10	100.0	100.0	1,625	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.7	0	0.0	0.3	0	0.0	0.7	0	0.0	0.7	2.0
Moderate	2	6.9	9.9	105	6.5	6.9	2	11.1	12.2	119	4.6	8.3	20.5
Middle	10	34.5	45.9	394	24.5	42.0	5	27.8	39.1	923	35.6	35.4	42.5
Upper	17	58.6	43.4	1,111	69.0	50.8	11	61.1	47.9	1,551	59.8	55.6	35.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	29	100.0	100.0	1,610	100.0	100.0	18	100.0	100.0	2,593	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	7.9	0	0.0	3.5	1	25.0	16.2	1,200	23.4	15.4	8.8
Moderate	2	28.6	28.7	1,296	23.1	16.4	0	0.0	25.7	0	0.0	13.1	21.7
Middle	3	42.9	47.5	1,890	33.7	51.1	2	50.0	32.4	2,005	39.1	27.0	39.2
Upper	2	28.6	15.8	2,416	43.1	29.0	1	25.0	25.7	1,925	37.5	44.5	30.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	7	100.0	100.0	5,602	100.0	100.0	4	100.0	100.0	5,130	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	0	0.0	1.2	0	0.0	0.7	1	1.7	2.2	1,200	9.1	3.0	2.0
Moderate	7	9.1	13.7	1,670	11.1	9.7	7	11.9	20.6	548	4.2	14.2	20.5
Middle	35	45.5	47.2	6,015	40.1	44.2	26	44.1	39.2	5,670	43.1	35.5	42.5
Upper	35	45.5	37.8	7,322	48.8	45.3	25	42.4	38.0	5,742	43.6	47.3	35.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	77	100.0	100.0	15,007	100.0	100.0	59	100.0	100.0	13,160	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

During 2021, home improvement loans were the leading HMDA product by number, followed by refinance and home purchase loans. Multifamily lending was given less weight due to the limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for home improvement lending is adequate, while performance for refinance lending is good, and performance for home purchase lending is very poor.

As reflected in the preceding table, HTB did not originate any residential mortgage loan products in low-income census tracts, while aggregate lenders reported 1.2% in such tracts, which approximated the percentage of owner-occupied housing units in low-income census tracts (1.4%). The bank's level of lending in moderate-income census tracts (9.1%) lagged the level of aggregate lending in such tracts (13.7%) and the percentage of owner-occupied housing units located in such tracts (18.4%). Overall, the bank's 2021 performance is considered adequate.

During 2022, home improvement loans were the leading HMDA product by number, followed by refinance and home purchase loans. Multifamily lending was given less weight due to the limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for home improvement and home purchase lending is adequate, and its performance for refinance lending is poor.

As reflected in the preceding table, HTB's percentage of 2022 HMDA lending in low-income census tracts (1.7%) was similar to the aggregate lending level (2.2%) and the percentage of owner-occupied housing units located in such tracts (2%). The bank's level of lending in moderate-income census tracts (11.9%) lagged the level of aggregate lending in such tracts (20.6%), and the percentage of owner-occupied housing units located in such tracts (20.5%). Overall, the bank's 2022 performance is considered poor.

On a combined basis, HMDA lending performance is considered adequate and gives slightly more weight to 2021 lending due to the slightly larger dollar volume of lending.

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Roanoke, VA MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	5	6.7	3.4	1,150	6.3	4.7	1	3.3	3.7	431	4.7	6.1	3.5
Moderate	12	16.0	14.9	2,240	12.3	11.6	5	16.7	18.4	1,005	10.9	17.7	20.2
Middle	46	61.3	48.8	11,241	61.6	52.6	14	46.7	39.4	3,937	42.7	40.5	40.1
Upper	12	16.0	32.4	3,621	19.8	31.0	10	33.3	37.8	3,839	41.7	35.3	36.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.6	0	0.0	0.1	0	0.0	0.6	0	0.0	0.4	
Total	75	100.0	100.0	18,252	100.0	100.0	30	100.0	100.0	9,212	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

The bank's percentage of 2021 small business lending in low-income census tracts (6.7%) is higher than the aggregate reporters' lending level (3.4%) and the percentage of businesses located in such tracts (2.8%). Similarly, the bank's percentage of small business lending in moderate-income census tracts (16%) is higher than the aggregate lending level (14.9%) and approximates the percentage of businesses located in such tracts (16.1%). Overall, the bank's small business lending performance during 2021 is considered excellent.

The bank's percentage of 2022 small business lending in low-income census tracts (3.3%) approximates the aggregate reporters' lending level (3.7%) and the percentage of businesses located in such tracts (3.5%). The bank's percentage of small business lending in moderate-income census tracts (16.7%) slightly lags the aggregate lending level (18.4%) and the percentage of businesses located in such tracts (20.2%). Overall, the bank's small business lending performance during 2022 is considered good.

On a combined basis based on the relative dollar volume and strength of performance for each loan category, the bank's geographic distribution of small business loans is considered good.

Distribution by Borrower Income and Revenue Size of the Business:

Within this assessment area, small business lending accounts for \$27.5 million compared to \$17.4 million in residential mortgage lending. The borrower distribution performance within this assessment area is considered good overall for residential mortgage and adequate for small business lending and is considered adequate overall.

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Roanoke, VA MSA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	10.4	0	0.0	5.6	3	30.0	10.7	341	15.8	5.6	20.6
Moderate	2	20.0	24.4	367	12.5	17.9	1	10.0	22.1	129	6.0	16.1	18.0
Middle	3	30.0	18.6	656	22.4	17.2	2	20.0	20.2	740	34.2	18.6	20.3
Upper	2	20.0	30.4	884	30.1	43.9	2	20.0	29.5	388	17.9	43.9	41.1
Unknown	3	30.0	16.3	1,028	35.0	15.4	2	20.0	17.6	567	26.2	15.9	0.0
Total	10	100.0	100.0	2,935	100.0	100.0	10	100.0	100.0	2,165	100.0	100.0	100.0
Refinance Loans													
Low	6	23.1	7.5	436	10.4	4.2	4	40.0	15.1	282	17.4	9.2	20.6
Moderate	8	30.8	19.2	929	22.1	14.1	0	0.0	22.1	0	0.0	17.8	18.0
Middle	6	23.1	20.6	725	17.2	18.4	0	0.0	21.0	0	0.0	20.0	20.3
Upper	4	15.4	32.3	1,781	42.3	42.7	6	60.0	24.8	1,343	82.6	35.6	41.1
Unknown	2	7.7	20.4	340	8.1	20.6	0	0.0	17.0	0	0.0	17.4	0.0
Total	26	100.0	100.0	4,211	100.0	100.0	10	100.0	100.0	1,625	100.0	100.0	100.0
Home Improvement Loans													
Low	5	17.2	5.9	208	12.9	3.2	2	11.1	9.2	119	4.6	6.4	20.6
Moderate	6	20.7	16.8	269	16.7	10.8	1	5.6	17.9	125	4.8	11.8	18.0
Middle	5	17.2	22.7	219	13.6	18.8	1	5.6	21.2	125	4.8	18.3	20.3
Upper	11	37.9	49.9	757	47.0	62.7	12	66.7	45.8	2,130	82.1	56.7	41.1
Unknown	2	6.9	4.7	157	9.8	4.4	2	11.1	5.8	94	3.6	6.8	0.0
Total	29	100.0	100.0	1,610	100.0	100.0	18	100.0	100.0	2,593	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	11	15.7	8.7	644	6.8	4.9	11	20.0	11.8	825	10.3	6.6	20.6
Moderate	17	24.3	21.0	1,665	17.7	15.7	5	9.1	21.5	472	5.9	16.3	18.0
Middle	14	20.0	19.9	1,600	17.0	17.8	7	12.7	21.0	1,345	16.7	19.1	20.3
Upper	20	28.6	32.2	3,946	42.0	43.7	28	50.9	29.7	4,727	58.9	42.2	41.1
Unknown	8	11.4	18.1	1,550	16.5	17.9	4	7.3	16.1	661	8.2	15.8	0.0
Total	70	100.0	100.0	9,405	100.0	100.0	55	100.0	100.0	8,030	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis													

During 2021, home improvement loans were the leading HMDA product by number, followed by refinance and home purchase loans. Considering both demographic and aggregate proxies for demand, the bank's performance for home improvement and refinance lending is considered excellent, while its performance home purchase lending is considered poor.

In 2021, the bank's overall level of HMDA lending to low-income borrowers (15.7%) was substantially higher than the aggregate lending levels to such borrowers (8.7%), both of which were lower than the percentage of low-income families within the assessment area (19.9%). The bank's lending to moderate-income borrowers (24.3%) was higher than the aggregate lending levels to such borrowers (21%) and the percentage of moderate-income families within the area (17.5%). Overall, the bank's performance during 2021 is considered excellent.

During 2022, home improvement loans were the leading HMDA product by number, followed by refinance and home purchase loans. Considering both demographic and aggregate proxies for demand, the bank's performance for home improvement lending is considered adequate, while its performance for refinance lending is good and home purchase lending is considered excellent.

In 2022, the bank's overall level of HMDA lending to low-income borrowers (20%) was substantially higher than the aggregate lending levels to such borrowers (11.8%) and approximated the percentage of low-income families within the assessment area (20.6%). The bank's lending to moderate-income borrowers (9.1%) was substantially lower than the aggregate lending levels to such borrowers (21.5%) and the percentage of moderate-income families within the area (18%). Overall, the bank's performance during 2022 is considered adequate.

On a combined basis, the bank's borrower distribution of HMDA loans is considered good.

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Roanoke, VA MSA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	23	30.7	49.7	5,965	32.7	37.5	14	46.7	54.4	3,556	38.6	43.3	91.9
Over \$1 Million	34	45.3		10,280	56.3		15	50.0		5,583	60.6		7.2
Revenue Unknown	18	24.0		2,007	11.0		1	3.3		73	0.8		0.9
Total	75	100.0		18,252	100.0		30	100.0		9,212	100.0		100.0
By Loan Size													
\$100,000 or Less	24	32.0	86.7	1,314	7.2	25.7	5	16.7	90.6	371	4.0	32.1	
\$100,001 - \$250,000	25	33.3	7.3	4,526	24.8	21.5	11	36.7	5.0	2,091	22.7	17.7	
\$250,001 - \$1 Million	26	34.7	6.0	12,412	68.0	52.9	14	46.7	4.4	6,750	73.3	50.1	
Total	75	100.0	100.0	18,252	100.0	100.0	30	100.0	100.0	9,212	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	5	21.7		345	5.8		4	28.6		298	8.4		
\$100,001 - \$250,000	10	43.5		1,615	27.1		5	35.7		1,001	28.1		
\$250,001 - \$1 Million	8	34.8		4,005	67.1		5	35.7		2,257	63.5		
Total	23	100.0		5,965	100.0		14	100.0		3,556	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

D&B data from 2021 indicates that 91.8% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 30.7% were to businesses with revenues of \$1 million or less, while 49.7% of the aggregate lending level were to businesses with revenues of \$1 million or less. The percentage of the bank's small business loans extended to businesses with revenues of \$1 million or less was impacted by a considerable volume of loans for which borrower revenue was unknown (24% of all loans). As previously noted, the bank was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, 40.4% of the bank's small business loans were to businesses with annual revenues of \$1 million or less.

Aggregate small business data was also considered as an element of performance context in evaluating the bank's distribution by business revenue. During 2021, 30.7% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loan, which limits its impact as a proxy when evaluating the bank's performance.

Because small dollar loans can demonstrate a willingness to provide credit to small businesses, the bank's distribution by loan size was also considered. Overall, the bank originated 32% of its small business loans in amounts of \$100,000 or less, which was substantially lower than the aggregate level of such lending (86.7%).

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

Distribution of 2021 PPP Small Business Loans with No Revenue By Loan Size				
Assessment Area: Roanoke, VA MSA				
	Bank			
	#	%	\$(000)	\$%
By Loan Size				
\$100,000 or Less	14	77.8%	597	29.7%
\$100,001 - \$250,000	0	0.0%	0	0.0%
\$250,001 - \$1 Million	4	22.2%	1,410	70.3%
Total	18	100.0%	2,007	100.0%
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>				

Within the assessment area, a majority (77.8%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that a large portion of the bank's PPP lending helped serve the needs of small businesses within the area.

The bank's 2021 borrower distribution of lending performance to small businesses is considered adequate, and its performance during 2022 is substantially similar. Overall, HTB's borrower distribution performance for small business lending is considered adequate.

Community Development Lending:

Opportunities for community development lending are reasonably available within the Roanoke, VA MSA assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period, HTB extended an adequate level of community development loans within this market. During the evaluation period, the bank extended one community development loan totaling approximately \$1 million to construct a multifamily affordable housing development within the assessment area.

INVESTMENT TEST

Overall, HTB has a significant level of qualified community development investments that benefit the assessment area. In addition to the previously described investments that benefit regional or statewide areas, the bank holds one qualified investment that directly benefits the Roanoke, VA MSA assessment area totaling approximately \$2.2 million for the evaluation period. The investment is in the form of a subordinated note issued by Virginia Community Capital Bank, which is a CDFI-designated bank where funds are specifically earmarked for community development activities within the assessment area. In addition, the bank made four qualified investments in the form of donations totaling \$10,168 that support community services and economic development in the assessment area. These investments demonstrate good responsiveness to the credit and community development needs within the area. HTB's overall Investment Test performance in the Roanoke, VA MSA assessment area is considered good.

SERVICE TEST

Within the assessment area, HTB's performance under the Service Test is considered adequate. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, including low- and moderate-income areas, and do not vary in a way that inconveniences low- and moderate-income individuals or areas within the area. Additionally, the bank has provided an adequate level of qualified services to community development organizations. The bank has not opened or closed any branch offices within this assessment area since the previous evaluation.

Retail Services:

Delivery systems are reasonably accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail, online banking, and mobile banking services are also offered by the institution. In addition, HTB provides customers with 24-hour telephone access to their accounts through an automated system. Additionally, the bank's business hours and services offered do not vary in a way that inconveniences low- or moderate-income geographies or individuals within the area.

HTB operates six full-service branch offices in the assessment area, of which, none are located in low-income census tracts and one (16.7%) is located in a moderate-income census tract. The geographic distribution of branches is adequate when considering that 4.3% and 23.1% of the assessment area's households reside in low- and moderate-income census tracts, respectively. The bank has not opened or closed any branch offices within this assessment area since the previous evaluation.

Community Development Services:

The bank provides an adequate level of community development services in the Roanoke, VA MSA assessment area. Two bank employees volunteered their time and utilized their financial expertise at two organizations throughout the area. These activities include the following:

- **Family Promise of Greater Roanoke:** One employee serves on the board of directors for this organization that offers housing opportunities to low- and moderate-income families within the assessment area.
- **Virginia Harm Reduction Coalition:** One employee serves on the grant review committee of this organization that provides rehabilitation assistance and treatment for the homeless population within the assessment area.

NONMETROPOLITAN STATEWIDE AREA

LIMITED REVIEW

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Conclusions regarding performance, which did not impact the institution's overall rating, are included in the following table. For each test, the conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the institution's statewide ratings.

Assessment Area	Lending Test	Investment Test	Service Test
Danville, VA NonMSA	Consistent	Below	Below

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE DANVILLE, VA NON-MSA ASSESSMENT AREA

A limited-scope review of the bank's CRA performance was conducted in the Danville, VA NonMSA assessment area. The bank's Lending Test performance in the area was consistent with the statewide performance level, while its Investment and Service Test performances were below the statewide performance.

The assessment area consists of Henry and Pittsylvania Counties, and Danville and Martinsville Cities, Virginia. On September 30, 2021, HTB closed all three branch offices within the Danville, VA NonMSA assessment area, and no longer delineated the area beginning in 2022. Additionally, on January 25, 2022, the bank closed its standalone ATM in this assessment area, which was located in a moderate-income census tract. In 2021, the assessment area consisted of one low-, 15 moderate-, 30 middle-, and four upper-income census tracts, and had a population of 171,448. The assessment area contained one census tract for which the income level was unknown. Additionally, during 2021 the assessment area contained seven distressed middle-income census tracts; six of the tracts were distressed due to the level of poverty, while all seven were distressed due to population loss.

The following table provides information regarding the demographic characteristics of the assessment area, based on 2020 ACS data.

Assessment Area Demographics – Danville, VA NonMSA Assessment Area				
Income Category	Tract Distribution		Percentage of Families by Tract	Percentage of Families by Income Level
	#	%		
Low	1	2	1.8	24.4
Moderate	15	29.4	25.5	18.6
Middle	30	58.8	63.7	22
Upper	4	7.8	9	35
Unknown	1	2	0	0
Total	51	100	100	100

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

Lending Activity in the Danville, VA NonMSA Assessment Area	
<i>Loan Type</i>	<i>2021</i>
HMDA	22
Small Business	6
Total	28

The Danville, VA NonMSA assessment area accounts for 0.7% (by number) and 0.4% (by dollar) of the institution's overall lending. In 2021, the bank ranked 30th out of 244 HMDA reporters with 0.05% of the area's total HMDA volume and ranked 26th out of 69 institutions reporting small business loans in the assessment area with 0.03% of the area's CRA lending.

HTB did not originate any community development loans during the evaluation period. The bank holds one qualified investment in a subordinated note totaling \$250,000 issued by Virginia Community Capital Bank, which is a CDFI-designated bank where funds are specifically earmarked for community development activities within the Commonwealth of Virginia. Additionally, the bank's employees did not provide any qualified community development services benefitting this area during the review period; however, the bank discontinued delineating this assessment area in 2022. Of the three branches that were closed within this assessment area, one was located in a low-income census tract, which adversely impacted the accessibility of products and services to low- and moderate-income individuals within the area.

MULTISTATE METROPOLITAN AREA

CRA RATING FOR JOHNSON CITY-KINGSPORT-BRISTOL, TN-VA MULTISTATE ASSESSMENT AREA⁴: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

Major factors supporting the rating include:

- Lending activity reflects adequate responsiveness to community credit needs given the bank's capacity within highly competitive markets.
- Geographic distribution performance is considered good, while borrower distribution performance is considered adequate overall.
- Overall, the bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses.
- The bank is originated or renewed a relatively high level of community development loans and made use of flexible lending practices in serving the assessment area's credit needs.
- HTB holds a significant level of qualified investments that benefit its assessment area within the multistate area, exhibiting good responsiveness to community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are readily accessible to geographies and individuals of different income levels in the multistate area. Since the previous evaluation, branching activity has significantly adversely impacted the accessibility of its delivery systems, particularly to low- and moderate-income neighborhoods and individuals. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within its assessment areas.
- The bank and its employees provide a relatively high level of community development services within the multistate assessment area.

SCOPE OF EXAMINATION

The Lending Test review considered residential mortgage (HMDA), small business, and small farm loans (CRA), originated or purchased, from January 1, 2021, through December 31, 2022. Small farm loans were excluded from further analysis in the multistate assessment areas given the limited volume of originations during the review period. Community development loans made during this evaluation period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or funded as of the evaluation date, regardless of when made, were also considered.

Performance in the multistate assessment area was evaluated by applying the full-scope interagency examination procedures to the Johnson City-Kingsport-Bristol, TN-VA multistate area. The bank's performance in other parts of the State of Tennessee and Commonwealth of Virginia that are part of this multistate assessment area are not considered in the evaluation of this assessment area.

⁴ This rating reflects performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained in the multistate metropolitan area.

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

HTB currently operates three branch offices within the Johnson City-Kingsport-Bristol, TN-VA multistate assessment area. The currently delineated assessment area includes all of Sullivan County, TN, which is part of the Kingsport-Bristol, TN-VA MSA, and Washington County, TN, which is part of the Johnson City, TN MSA. Together, these two MSAs comprise the Johnson City-Kingsport-Bristol, TN-VA CSA. During 2021, this assessment area included the City of Bristol, VA, which is part of the Kingsport-Bristol, TN-VA MSA; however, HTB closed its branch in Bristol, VA on September 30, 2021. As a result, the multistate assessment area delineation no longer included the City of Bristol, VA beginning in 2022. The complete composition of the assessment area for 2022 and 2023 is detailed in *Appendix F*. In addition, the bank closed a second branch office in Washington County, TN on September 30, 2021; however, this closure did not impact the assessment area delineation.

Based on 2020 ACS data, the assessment area has a total population of 291,164 and a median housing value of \$155,506. Within the assessment area, the owner-occupancy rate is 61%, which approximates the owner-occupancy rate for the Kingsport-Bristol, TN-VA MSA (62.9%) and the Johnson City, TN MSA (59.1%). The percentage of families living below the poverty level in the assessment area (11%) approximates the percentage of families living below the poverty level in the Kingsport-Bristol, TN-VA MSA (11.6%) and the Johnson City, TN MSA (11.5%). Median family incomes for the MSA are detailed in the table below.

Median Family Income	2021	2022
Kingsport-Bristol, TN-VA MSA	\$59,600	\$69,700
Johnson City, TN MSA	\$63,900	\$75,300

As indicated in the preceding table, the median family income for both MSAs increased between 2021 and 2022. The following table provides family and household demographic information for the assessment area, as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides D&B business data.

2022 Johnson City-Kingsport-Bristol, TN AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	3	4.2	2,087	2.7	788	37.8	15,848	20.7
Moderate	17	23.6	14,169	18.5	2,670	18.8	12,678	16.5
Middle	30	41.7	35,764	46.6	3,760	10.5	15,561	20.3
Upper	21	29.2	24,649	32.1	1,240	5.0	32,582	42.5
Unknown	1	1.4	0	0.0	0	0.0	0	0.0
Total AA	72	100.0	76,669	100.0	8,458	11.0	76,669	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	4,362	1,182	1.4	27.1	2,582	59.2	598	13.7
Moderate	30,360	12,869	15.5	42.4	13,262	43.7	4,229	13.9
Middle	60,619	41,346	49.8	68.2	13,017	21.5	6,256	10.3
Upper	40,955	27,678	33.3	67.6	9,312	22.7	3,965	9.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	136,296	83,075	100.0	61.0	38,173	28.0	15,048	11.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	607	5.7	531	5.5	68	8.2	8	10.0
Moderate	2,346	22.1	2,124	21.9	211	25.3	11	13.8
Middle	4,138	39.0	3,785	39.1	313	37.6	40	50.0
Upper	3,482	32.9	3,224	33.3	237	28.5	21	26.3
Unknown	26	0.2	22	0.2	4	0.5	0	0.0
Total AA	10,599	100.0	9,686	100.0	833	100.0	80	100.0
Percentage of Total Businesses:				91.4		7.9		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.5	1	0.5	0	0.0	0	0.0
Moderate	26	13.1	22	11.8	1	50.0	3	33.3
Middle	106	53.5	101	54.0	0	0.0	5	55.6
Upper	65	32.8	63	33.7	1	50.0	1	11.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	198	100.0	187	100.0	2	100.0	9	100.0
Percentage of Total Farms:				94.4		1.0		4.5
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

The following chart depicts government and private sector employees by industry for the assessment area. A large portion of area employment for residents comes from healthcare, government, retail trade, manufacturing, and accommodation and food services. Major area employers include Advanced Call Center Technologies, American Water Heater Co., and Bristol Compressors.

Johnson City-Kingsport-Bristol, TN Employees by Industry												
	2020 - Q2	2020 - Q3	2020 - Q4	2021 - Q1	2021 - Q2	2021 - Q3	2021 - Q4	2022 - Q1	2022 - Q2	2022 - Q3	2022 - Q4	2023 - Q1
Government												
Government Total, all industries	18,477	17,902	18,992	18,681	18,787	17,918	19,151	18,801	18,844	18,282	19,522	18,999
Private Sector												
Private Sector Total, all industries	100,682	105,802	109,206	107,671	108,640	109,702	111,244	111,353	113,222	114,157	115,287	113,548
Agriculture, forestry, fishing and hunting	0*	0*	0*	0*	0*	18*	13*	23*	27*	25*	24*	27*
Mining, quarrying, and oil and gas extraction	0*	0*	0*	0*	0*	46*	42*	42*	42*	42*	45*	45*
Utilities	105*	106*	108*	169	167	166	169	157	158	157	165	165
Construction	5,007	5,237	5,490	5,209	5,436	5,584	5,648	5,559	5,846	6,000	6,184	6,063
Manufacturing	15,607	15,885	15,942	15,696	15,717	15,891	16,068	16,148	16,499	16,643	16,714	16,499
Wholesale trade	3,962	4,019	4,084	4,113	4,195	4,183	4,173	4,221	4,216	4,165	4,219	4,129
Retail Trade	15,308	16,106	16,932	16,448	16,394	16,572	17,262	17,042	16,798	16,644	17,324	16,913
Transportation and warehousing	2,216*	2,383*	2,707*	3,129	3,087	3,117	3,477	3,393	3,322	3,520	3,673	3,462
Information	1,606	1,606	1,579	1,588	1,583	1,547	1,544	1,343	1,462	1,489	1,448	1,408
Finance and insurance	4,872	5,048	5,079	5,101	5,079	5,013	5,079	5,080	5,144	5,309	5,412	5,259
Real estate and rental and leasing	1,055	1,068	1,084	1,081	1,152	1,208	1,195	1,200	1,236	1,278	1,270	1,318
Professional and technical services	4,180	4,154	4,216	5,161	5,214	4,846	5,150	5,120	5,099	5,135	5,269	5,114
Management of companies and enterprises	2,546	3,028	3,057	2,264	2,299	2,316	2,345	2,340	2,327	2,353	2,384	2,457
Administrative and waste services	8,620	9,236	10,489	10,287	9,881	9,987	10,311	10,634	10,789	10,688	10,501	10,114
Educational services	708	728	803	787	766	779	828	828	819	831	869	891
Health care and social assistance	19,986	20,449	20,623	20,477	20,521	20,641	20,627	20,915	20,987	21,287	21,259	21,310
Arts, entertainment, and recreation	851	1,029	830	828	1,062	1,277	1,029	937	1,464	1,432	1,047	948
Accommodation and food services	10,890	12,331	12,751	12,585	13,181	13,581	13,400	13,500	13,987	14,150	14,405	14,441
Other services, except public administration	2,501	2,706	2,726	2,670	2,826	2,865	2,840	2,841	2,944	2,934	2,984	2,915
Public administration	0	0	0	0	0	0	0	0	0	0	0	0
Unclassified	9	0	0	0	0	37	14	6	28	39	67	51

Source: Bureau of Labor Statistics(BLS), Quarterly Census of Employment and Wages

* indicates that some or all of the data for this category was suppressed for confidentiality reasons

Recent and historical unemployment rates since the previous evaluation are included in the following table.

Johnson City-Kingsport-Bristol, TN-VA Unemployment Rates					
Area	2018	2019	2020	2021	2022
Johnson City-Kingsport-Bristol, TN-VA	3.6%	3.5%	6.8%	4.1%	3.4%
Bristol City, VA	3.8%	3.7%	7.8%	4.7%	3.4%
Sullivan County, TN	3.7%	3.6%	7.1%	4.4%	3.5%
Washington County, TN	3.5%	3.4%	6.3%	3.8%	3.2%
Johnson City, TN MSA	3.8%	3.7%	6.6%	4.0%	3.4%
Kingsport-Bristol, TN-VA MSA	3.6%	3.6%	7.0%	4.3%	3.4%

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

While unemployment rates increased from 2019 to 2020 as a result of the COVID-19 pandemic, rates have steadily decreased from 2020 to 2022 across all counties/cities within the assessment area and both MSAs. Unemployment rates for the assessment area approximate the unemployment rates for both MSAs.

Johnson City-Kingsport-Bristol, TN-VA Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Johnson City-Kingsport-Bristol, TN-VA	\$58,247	\$62,819	7.8%
Bristol City, VA	\$49,563	\$53,563	8.1%
Sullivan County, TN	\$57,576	\$61,723	7.2%
Washington County, TN	\$59,108	\$65,534	10.9%
Johnson City, TN MSA	\$54,952	\$60,890	10.8%
Kingsport-Bristol, TN-VA MSA	\$55,951	\$60,792	8.7%
Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.			

As noted in the preceding table, the median family income has increased within the assessment area during the evaluation period. Despite the increase in median family income across most areas, a majority of local housing cost burden percentages remained higher than, or near, 30 percent of household incomes during the review period for low- and moderate-income renters and owners within the assessment area, as presented in the chart below, suggesting that housing expense is a burden for many in the area.

Johnson City-Kingsport-Bristol, TN-VA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Johnson City-Kingsport-Bristol, TN-VA	68.5%	29.6%	38.6%	49.9%	23.2%	14.8%
Bristol City, VA	60.5%	10.0%	34.2%	51.2%	35.3%	17.6%
Sullivan County, TN	65.8%	26.8%	35.4%	46.4%	22.1%	14.5%
Washington County, TN	71.0%	32.0%	41.7%	55.3%	24.7%	15.1%
Johnson City, TN MSA	67.1%	26.3%	38.4%	50.0%	20.9%	15.4%
Kingsport-Bristol, TN-VA MSA	63.6%	22.0%	34.0%	45.0%	20.3%	14.6%
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy						

An official from a local housing authority was contacted during the evaluation to assist in evaluating the bank's CRA performance and to discuss local economic conditions and community credit needs within the assessment area. The housing authority's purpose is to provide safe and affordable housing for low- and very low-income individuals in the area. The housing authority assists the homeless, as well as eligible seniors, veterans, and young adults with housing through the Housing and Urban Development (HUD) Housing Choice Voucher Program Section 8. The organization operates nine affordable apartment complexes, which is financed through HUD subsidies, Federal Home Loan Bank grants, and rental income. The official noted that the availability of safe and affordable housing remains a key need for the community, as indicated by the organization's waitlist of nearly 2,000 individuals. Additionally, the official stated that the current high-interest rate environment has caused new affordable housing projects to slow and/or stall, which is causing the affordable housing market to tighten further. The contact did not mention participation and support from specific financial institutions and was not aware of any discriminatory activities or practices by local financial institutions.

HTB ranks 7th of 24 banks operating within the assessment area, having 4.2% of all FDIC-insured deposits as of June 30, 2023. Overall, opportunity for community development loans and investments within the market area is reasonably available. Despite it being a competitive market, the bank faces no significant constraints in taking advantage of all available community development opportunities. HTB serves the assessment area through its array of banking services and products, which includes community development loans, investments, and services that benefit low- and moderate-income borrowers and areas, and small businesses.

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

The bank's Lending Test performance in the Johnson City-Kingsport-Bristol, TN-VA multistate assessment area is rated High Satisfactory. Lending levels show adequate responsiveness to assessment area credit needs. Overall, the geographic distribution of lending is good, while the lending among borrowers of different income levels and businesses of different sizes is adequate. The bank originated a relatively high level of community development loans within the assessment area.

The Investment Test performance is rated High Satisfactory, and the bank holds a significant level of qualified community development investments and grants that benefit the assessment area. Through its qualified investments and grants, the bank exhibits good responsiveness to credit and community development needs.

The Service Test performance is High Satisfactory. The bank's delivery systems are readily accessible to all portions of the assessment area. Since the previous evaluation, branching activity has significantly adversely impacted the accessibility of its delivery systems, especially to low- and moderate-income residents and geographies, and business hours and services do not vary in a way that inconveniences any particular individual or area. Further, the bank provides a relatively high level of community development services that benefit the assessment area.

LENDING TEST

The institution's overall lending performance within this assessment area is rated High Satisfactory. This conclusion is based on the evaluation of the bank's lending activity, the geographic and borrower lending distribution and the level of community development lending while considering the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data. Additionally, the bank makes use of flexible lending practices in serving the credit needs of the assessment area.

Given the closure of the branch in Bristol and exclusion of that area from the bank's assessment area delineation in 2022, separate geographic and borrower distribution analysis tables are presented for HTB's performance in 2021 and 2022.

Lending Activity:

The bank's residential mortgage and small business lending within the assessment area in relation to the institution overall, as measured by number (5.8%) and dollar (4.5%) slightly lags the percentage of deposits (7%) and the percentage of branch offices (8.3%). As of June 30, 2023, HTB ranked 7^h out of 24 financial institutions in deposit market share with 4.2% of the area's available FDIC-insured deposits (excluding credit union deposits). According to 2022 aggregate data, the institution ranked 31st of 327 reporters of mortgage lending with a .6% market share and ranked 15th of 83 reporters of small business loans with a 1.1% market share. All market share rankings consider originated and purchased loans. Lending activity reflects adequate responsiveness to assessment area credit needs and is considered adequate overall.

Geographic Distribution:

The geographic loan distribution within this assessment is considered good for residential mortgage and good for small business lending and is considered good overall. Within this assessment area, residential mortgage lending accounts for \$22.2 million, compared to small business lending which accounts for \$29.7 million.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: Johnson City-Kingsport-Bristol, TN-VA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	8.3	17.8	181	8.7	12.4	16.9
Middle	8	66.7	47.0	1,264	60.5	44.2	51.9
Upper	3	25.0	35.2	643	30.8	43.3	31.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	12	100.0	100.0	2,088	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	3	15.0	11.9	567	10.7	8.3	16.9
Middle	6	30.0	48.2	1,517	28.5	44.7	51.9
Upper	11	55.0	40.0	3,230	60.8	46.9	31.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	20	100.0	100.0	5,314	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	12.5	0	0.0	12.0	16.9
Middle	0	0.0	44.2	0	0.0	40.8	51.9
Upper	5	100.0	43.3	312	100.0	47.2	31.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	5	100.0	100.0	312	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	29.8	0	0.0	32.1	35.7
Middle	2	100.0	48.9	941	100.0	44.2	39.3
Upper	0	0.0	21.3	0	0.0	23.7	25.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	941	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	10	17.9	14.8	1,827	16.9	11.6	16.9
Middle	22	39.3	47.5	4,428	41.0	44.5	51.9
Upper	24	42.9	37.7	4,556	42.1	43.9	31.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	56	100.0	100.0	10,811	100.0	100.0	100.0
Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Multifamily lending was given less weight due to the limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance lending is excellent, while its performance for home purchase lending is poor, and performance for home improvement lending is very poor.

During 2021, there were no low-income census tracts in the multistate assessment area. As reflected in the preceding table, the bank's level of lending in moderate-income census tracts (17.9%) was higher than the level of aggregate lending in such tracts (14.8%) and the percentage of owner-occupied housing units located in such tracts (16.9%) and is considered excellent. Overall, the bank's 2021 performance is considered excellent.

Distribution of 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: Johnson City-Kingsport-Bristol, TN							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	2.0	0	0.0	1.3	1.4
Moderate	1	16.7	20.4	2,125	50.9	15.3	15.5
Middle	4	66.7	42.2	1,952	46.7	39.9	49.8
Upper	1	16.7	35.3	100	2.4	43.5	33.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	6	100.0	100.0	4,177	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	1.2	0	0.0	0.9	1.4
Moderate	4	18.2	16.9	561	15.3	13.1	15.5
Middle	12	54.5	45.2	1,936	52.7	44.9	49.8
Upper	6	27.3	36.7	1,180	32.1	41.1	33.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	22	100.0	100.0	3,677	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.6	0	0.0	0.3	1.4
Moderate	3	21.4	13.1	160	13.1	10.5	15.5
Middle	5	35.7	47.0	642	52.5	46.1	49.8
Upper	6	42.9	39.4	422	34.5	43.1	33.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	14	100.0	100.0	1,224	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	9.2	0	0.0	9.0	8.9
Moderate	0	0.0	33.3	0	0.0	26.1	31.3
Middle	0	0.0	32.2	0	0.0	16.5	27.9
Upper	0	0.0	25.3	0	0.0	48.4	31.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	1.7	0	0.0	1.8	1.4
Moderate	11	20.4	18.3	3,176	27.8	15.2	15.5
Middle	23	42.6	43.7	4,644	40.7	39.7	49.8
Upper	20	37.0	36.3	3,592	31.5	43.3	33.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	54	100.0	100.0	11,412	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

During 2022, refinance loans were the leading HMDA product by number, followed by home improvement and home purchase loans. Multifamily lending was given less weight due to the limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance lending is good, while its performance for home improvement lending is excellent, and performance for home purchase lending is adequate.

During 2022, there were three low-income census tracts in the multistate assessment area. As reflected in the preceding table, the bank did not originate any residential mortgage loans in low-income census tracts, while the reported aggregate lending in that tract was 1.7%, and the percentage of owner-occupied housing units located in that tract was 1.4%. The bank's level of lending in moderate-income census tracts (20.4%) was slightly higher than the level of aggregate lending in such tracts (18.3%) and the percentage of owner-occupied housing units located in such tracts (15.5%). Overall, the bank's 2022 performance is considered good.

On a combined basis, HMDA lending performance is considered good.

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Johnson City-Kingsport-Bristol, TN-VA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	17	20.2	20.9	5,067	28.3	23.7	25.6
Middle	22	26.2	43.7	5,378	30.0	41.5	44.2
Upper	45	53.6	34.9	7,479	41.7	34.7	29.9
Unknown	0	0.0	0.1	0	0.0	0.0	0.3
Tract-Unk	0	0.0	0.5	0	0.0	0.1	
Total	84	100.0	100.0	17,924	100.0	100.0	100.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

As previously noted, there were no low-income census tracts within the assessment area during 2021. The bank's percentage of 2021 small business lending in moderate-income census tracts (20.2%) approximated the aggregate reporters' lending level (20.9%) and lagged the percentage of businesses located in such tracts (25.6%). Overall, the bank's small business lending performance during 2021 is considered good.

Distribution of 2022 Small Business Lending By Income Level of Geography							
Assessment Area: Johnson City-Kingsport-Bristol, TN							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	1	1.7	3.4	200	1.7	4.6	5.7
Moderate	11	18.6	17.8	1,503	12.7	16.9	22.1
Middle	13	22.0	41.4	3,920	33.2	42.7	39.0
Upper	34	57.6	36.9	6,171	52.3	35.1	32.9
Unknown	0	0.0	0.3	0	0.0	0.5	0.2
Tract-Unk	0	0.0	0.4	0	0.0	0.1	
Total	59	100.0	100.0	11,794	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

As previously noted, there were three low-income census tracts within the assessment area during 2022. The bank's percentage of 2022 small business lending in low-income census tracts (1.7%) lagged the aggregate reporters' lending level (3.4%) and the percentage of businesses located in low-income census tracts (5.7%). The percentage of small business lending in moderate-income census tracts (18.6%) approximated the aggregate reporters' lending level (17.8%), both of which were lower than the percentage of businesses located in such tracts (22.1%). Overall, the bank's small business lending performance during 2022 is considered good.

On a combined basis, the bank's geographic distribution of small business loans is considered good within the multistate area.

Distribution by Borrower Income and Revenue Size of the Business:

The distribution of lending by borrower income and revenue size of business within this assessment is considered good for residential mortgage and adequate for small business lending and is considered adequate overall.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level Assessment Area: Johnson City-Kingsport-Bristol, TN-VA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	6.2	0	0.0	3.0	20.0
Moderate	1	8.3	19.4	200	9.6	13.1	17.1
Middle	1	8.3	22.3	53	2.5	19.2	20.5
Upper	7	58.3	39.8	1,259	60.3	52.8	42.5
Unknown	3	25.0	12.3	576	27.6	12.0	0.0
Total	12	100.0	100.0	2,088	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	5.9	0	0.0	2.8	20.0
Moderate	4	20.0	14.0	388	7.3	9.2	17.1
Middle	3	15.0	19.3	752	14.2	15.8	20.5
Upper	11	55.0	39.5	3,537	66.6	49.5	42.5
Unknown	2	10.0	21.2	637	12.0	22.6	0.0
Total	20	100.0	100.0	5,314	100.0	100.0	100.0
Home Improvement Loans							
Low	1	20.0	6.2	32	10.3	2.8	20.0
Moderate	0	0.0	19.4	0	0.0	12.6	17.1
Middle	0	0.0	21.4	0	0.0	15.4	20.5
Upper	4	80.0	48.8	280	89.7	63.1	42.5
Unknown	0	0.0	4.1	0	0.0	6.1	0.0
Total	5	100.0	100.0	312	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	3	5.6	6.2	144	1.5	3.0	20.0
Moderate	7	13.0	16.8	670	6.8	11.3	17.1
Middle	5	9.3	20.6	855	8.7	17.5	20.5
Upper	34	63.0	40.1	6,988	70.8	51.5	42.5
Unknown	5	9.3	16.3	1,213	12.3	16.8	0.0
Total	54	100.0	100.0	9,870	100.0	100.0	100.0
Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.							

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance lending is considered good, while its performance for home purchase lending is poor, and home improvement lending is adequate.

In 2021, the bank's overall level of HMDA lending to low-income borrowers (5.6%) approximated the aggregate lending levels to such borrowers (6.2%), both of which were lower than the percentage of low-income families within the assessment area (20%). The bank's lending to moderate-income borrowers (13%) was lower than aggregate lending levels to such borrowers (16.8%) and the percentage of moderate-income families within the area (17.1%). Overall, the bank's performance during 2021 is considered adequate.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Johnson City-Kingsport-Bristol, TN							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	6.6	0	0.0	3.0	20.7
Moderate	0	0.0	18.8	0	0.0	12.1	16.5
Middle	2	33.3	21.0	435	10.4	18.2	20.3
Upper	2	33.3	40.4	1,409	33.7	53.1	42.5
Unknown	2	33.3	13.2	2,333	55.9	13.6	0.0
Total	6	100.0	100.0	4,177	100.0	100.0	100.0
Refinance Loans							
Low	3	13.6	11.8	215	5.8	6.1	20.7
Moderate	1	4.5	22.6	125	3.4	16.9	16.5
Middle	5	22.7	22.2	679	18.5	21.0	20.3
Upper	12	54.5	33.8	2,520	68.5	44.3	42.5
Unknown	1	4.5	9.6	138	3.8	11.7	0.0
Total	22	100.0	100.0	3,677	100.0	100.0	100.0
Home Improvement Loans							
Low	3	21.4	10.9	86	7.0	6.4	20.7
Moderate	6	42.9	19.6	353	28.8	14.1	16.5
Middle	0	0.0	22.3	0	0.0	18.4	20.3
Upper	5	35.7	45.3	785	64.1	58.2	42.5
Unknown	0	0.0	1.9	0	0.0	3.0	0.0
Total	14	100.0	100.0	1,224	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	7	13.0	8.6	362	3.2	3.9	20.7
Moderate	8	14.8	19.6	534	4.7	13.3	16.5
Middle	8	14.8	21.5	1,172	10.3	18.8	20.3
Upper	27	50.0	39.0	6,773	59.3	51.1	42.5
Unknown	4	7.4	11.3	2,571	22.5	12.9	0.0
Total	54	100.0	100.0	11,412	100.0	100.0	100.0
Source: 2022 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

During 2022, refinance loans were the leading HMDA product by number, followed by home improvement and home purchase loans. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance lending is considered poor, while its performance for home improvement lending is excellent, and home purchase lending is very poor.

In 2022, the bank's overall level of HMDA lending to low-income borrowers (13%) exceeded the aggregate lending levels to such borrowers (8.6%), both of which were lower than the percentage of low-income families within the assessment area (20.7%). The bank's lending to moderate-income borrowers (14.8%) lagged the aggregate lending levels to such borrowers (19.6%) and was slightly lower than the percentage of moderate-income families within the area (16.5%). The bank's performance during 2022 is considered good.

On a combined basis, HMDA lending performance is considered good and takes into consideration the relative dollar volume and strength of performance of each year.

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Johnson City-Kingsport-Bristol, TN-VA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	22	26.2	42.7	6,199	34.6	33.9	91.3
Over \$1 Million	43	51.2		7,913	44.1		7.9
Revenue Unknown	19	22.6		3,812	21.3		0.8
Total	84	100.0		17,924	100.0		100.0
By Loan Size							
\$100,000 or Less	33	39.3	89.7	2,040	11.4	31.5	
\$100,001 - \$250,000	26	31.0	5.7	4,232	23.6	19.9	
\$250,001 - \$1 Million	25	29.8	4.6	11,652	65.0	48.6	
Total	84	100.0	100.0	17,924	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	7	31.8		460	7.4		
\$100,001 - \$250,000	5	22.7		850	13.7		
\$250,001 - \$1 Million	10	45.5		4,889	78.9		
Total	22	100.0		6,199	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

D&B data from 2021 indicates that 91.3% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 26.2% were to businesses with revenues of \$1 million or less, while 42.7% of the aggregate lending level were to businesses with revenues of \$1 million or less. The percentage of the bank's small business loans extended to businesses with revenues of \$1 million or less was impacted by a considerable volume of loans for which borrower revenue was unknown (22.6% of all loans). As previously noted, the bank was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, 33.8% of the bank's small business loans were to businesses with annual revenues of \$1 million or less.

Aggregate small business data was also considered as an element of performance context in evaluating the bank's distribution by business revenue. During 2021, 42.7% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loan, which limits its impact as a proxy when evaluating the bank's performance.

Because small dollar loans can demonstrate a willingness to provide credit to small businesses, the bank's distribution by loan size was also considered. Overall, the bank originated 39.3% of its small business loans in amounts of \$100,000 or less, which was substantially lower than the aggregate level of such lending (89.7%).

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

Distribution of 2021 PPP Small Business Loans with No Revenue By Loan Size				
Assessment Area: Johnson City-Kingsport-Bristol, TN-VA				
	Bank			
	#	#%	\$(000)	%
By Loan Size				
\$100,000 or Less	5	45.5%	316	18.6%
\$100,001 - \$250,000	3	27.3%	390	22.9%
\$250,001 - \$1 Million	3	27.3%	996	58.5%
Total	11	100.0%	1,702	100.0%
Note: Percentages may not total 100.0 percent due to rounding.				

Within the assessment area, less than a majority (45.5%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that a portion of bank's PPP lending helped serve the needs of small businesses within the area.

The bank's 2021 borrower distribution performance of lending to small businesses is considered adequate.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Johnson City-Kingsport-Bristol, TN							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	21	35.6	49.5	3,474	29.5	39.8	91.4
Over \$1 Million	33	55.9		7,993	67.8		7.9
Revenue Unknown	5	8.5		327	2.8		0.8
Total	59	100.0		11,794	100.0		100.0
By Loan Size							
\$100,000 or Less	26	44.1	92.3	1,369	11.6	34.4	
\$100,001 - \$250,000	16	27.1	4.1	2,707	23.0	17.5	
\$250,001 - \$1 Million	17	28.8	3.6	7,718	65.4	48.2	
Total	59	100.0	100.0	11,794	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	11	52.4		379	10.9		
\$100,001 - \$250,000	5	23.8		1,022	29.4		
\$250,001 - \$1 Million	5	23.8		2,073	59.7		
Total	21	100.0		3,474	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

D&B data from 2022 indicates that 91.4% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 35.6% were to businesses with revenues of \$1 million or less, while 49.5% of the aggregate lending level were to businesses with revenues of \$1 million or less. Because small dollar loans can demonstrate a willingness to provide credit to small businesses, the bank's distribution by loan size was also considered. Overall, the bank originated 44.1% of its small business loans in amounts of \$100,000 or less, which was substantially lower than the aggregate level of such lending (92.3%). The bank's 2022 borrower distribution performance of lending to small businesses is considered adequate.

On a combined basis, the bank's borrower distribution of lending to small businesses is considered adequate within the multistate area.

Community Development Loans:

Opportunities for community development lending are reasonably available within the Johnson City-Kingsport-Bristol, TN-VA multistate assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period, HTB extended a relatively high level of community development loans within this market. Four qualified community development loans totaling approximately \$44 million were originated during the evaluation period that directly benefit the assessment area. All four community development loans were extended to startup businesses that will create permanent jobs within the multistate area.

INVESTMENT TEST

Overall, HTB has a significant level of qualified community development investments that benefit the assessment area. The bank holds two qualified investments that directly benefit the multistate area totaling approximately \$1.4 million for the evaluation period. In addition, the bank made qualified investments in the form of donations totaling \$33,560. These investments demonstrate good responsiveness to the affordable housing and community development needs within the area.

Investments that benefit the multistate assessment area include:

- **Freddie Mac Multifamily Loan Pools:** Two investments totaling \$1.4 million in loan pools comprised of affordable multifamily housing projects within the assessment area.

HTB's Investment Test performance in the Johnson City-Kingsport-Bristol, TN-VA multistate assessment area is considered High Satisfactory.

SERVICE TEST

Within the multistate assessment area, HTB's performance under the Service Test is considered High Satisfactory. Systems for delivering retail banking services are readily accessible to all portions of the assessment area, including low- and moderate-income areas, and do not vary in a way that inconveniences low- and moderate-income individuals or areas within the area. Additionally, the bank has provided a relatively high level of qualified services to community development organizations. The bank closed two branch offices within the assessment area since the previous evaluation, which were located in low- and moderate-income census tracts. Consequently, accessibility of the bank's branches was significantly adversely affected during the evaluation period, particularly to low- and moderate-income individuals within the assessment area.

Retail Services:

Delivery systems are readily accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail, online banking, and mobile banking services are also offered by the institution. In addition, HTB provides customers with 24-hour telephone access to their accounts through an automated system. Additionally, the bank's business hours and services offered do not vary in a way that inconveniences low- or moderate-income geographies or individuals within the area.

HTB operates three full-service branch offices in the assessment area, of which, one (33.3%) is located in a low-income census tract and two are located in upper-income census tracts. The geographic distribution of branches is outstanding when considering that 3.1% and 21.6% of the assessment area's households reside in low- and moderate-income census tracts, respectively. During the evaluation period, HTB closed two branches within the multistate assessment area: one within a low-income census tract in the City of Bristol, VA and the other within a moderate-income census tract in Washington County, TN. Consequently, the bank's record of closing branches has significantly adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies.

Community Development Services:

The bank provides a relatively high level of community development services in the multistate assessment area. Seven bank employees volunteered their time and utilized their financial expertise at various organizations throughout the area, by serving on the boards or committees of five different organizations that provide economic development, affordable housing, or community services to low- and moderate-income individuals. These activities include, but are not limited to the following:

- **Bristol Speedway Children's Charities:** One bank employee serves on the board of directors of this organization that develops and builds affordable housing for low- and moderate-income individuals and families within the assessment area.
- **Hearing and Speech Foundation:** One employee serves as a fundraising committee chairman for this foundation that provides hearing aids to low- and moderate-income individuals.
- **Johnson City Development Authority:** One employee serves as a finance committee member of this organization that promotes and assists with the development of small businesses in Johnson City.
- **Northeast State Community College:** One employee teaches a financial literacy course, "Child Care Access Means Parents in School Program" to students who qualify for a needs-based child care program. While two employees taught financial literacy courses, "Trio Student Support Services" that helps income-eligible students successfully transfer to a four-year college or enter a career.
- **Washington County Economic Development Council:** One employee serves on the board of directors of this organization that promotes job growth and small business development/relocation into Washington County.

STATE OF SOUTH CAROLINA

CRA RATING FOR SOUTH CAROLINA⁵: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

Major factors supporting the rating include:

- Lending activity reflects adequate responsiveness to community credit needs given the bank's capacity within highly competitive markets.
- Geographic distribution performance is considered adequate overall, while borrower distribution performance is considered adequate overall.
- Overall, the bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses.
- The bank makes an adequate level of community development loans and made use of flexible lending practices in serving the assessment area's credit needs.
- HTB holds a significant level of qualified investments that benefit its assessment area within the State of South Carolina, exhibiting good responsiveness to community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are reasonably accessible to geographies and individuals of different income levels in the State of South Carolina. Since the previous evaluation, HTB has not opened or closed any branches within the State of South Carolina. Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within its assessment area.
- The bank and its employees provide an adequate level of community development services within its assessment area.

SCOPE OF EXAMINATION

The Lending Test review considered residential mortgage (HMDA), small business, and small farm loans (CRA), originated or purchased, from January 1, 2021, through December 31, 2022. Small farm loans were excluded from further analysis in the State of South Carolina given the limited volume of originations during the review period. Community development loans made during this evaluation period, and qualified community development services provided during the review period, were considered. All qualified investments extended during the review period or funded as of the evaluation date, regardless of when made, were also considered.

Performance in the State of South Carolina was evaluated by applying the full-scope interagency examination procedures to the Greenville-Anderson, SC assessment area, which is the sole assessment area within the State of South Carolina.

⁵ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE GREENVILLE-ANDERSON, SC ASSESSMENT AREA

HTB operates two branch offices within the assessment area, which is comprised of all of Greenville County, SC, which is a portion of the Greenville-Anderson-Mauldin, SC MSA. The complete composition of the assessment area for 2021 and 2022 is detailed in *Appendix F*.

Based on 2020 ACS data, the assessment area has a total population of 525,534 and a median housing value of \$197,416. Within the assessment area, the owner-occupancy rate is 62.9%, which approximates the owner-occupancy rate for the Greenville-Anderson-Mauldin, SC MSA (62.5%) and is slightly higher than the owner-occupancy rate for the State of South Carolina (59.3%). The percentage of families living below the poverty level in the assessment area (7.7%) is lower than the percentage of families living below the poverty level in both the MSA (8.8%), and the State of South Carolina (10.5%). Median family incomes for the MSA are detailed in the table below.

Median Family Income	2021	2022
Greenville-Anderson-Mauldin, SC	\$73,100	\$80,300

Median family incomes for the MSA increased between 2021 and 2022. The following table provides family and household demographic information for the assessment area, as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides D&B business data.

2022 Greenville-Anderson, SC AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	7	5.7	4,380	3.3	1,502	34.3	24,700	18.6
Moderate	30	24.4	22,576	17.0	3,180	14.1	21,621	16.3
Middle	41	33.3	48,064	36.2	3,510	7.3	26,490	20.0
Upper	44	35.8	57,206	43.1	1,928	3.4	59,915	45.1
Unknown	1	0.8	500	0.4	87	17.4	0	0.0
Total AA	123	100.0	132,726	100.0	10,207	7.7	132,726	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	7,984	3,210	2.4	40.2	3,899	48.8	875	11.0
Moderate	43,345	20,919	15.5	48.3	18,148	41.9	4,278	9.9
Middle	75,421	48,372	35.8	64.1	21,104	28.0	5,945	7.9
Upper	86,379	62,340	46.1	72.2	18,579	21.5	5,460	6.3
Unknown	1,656	304	0.2	18.4	1,140	68.8	212	12.8
Total AA	214,785	135,145	100.0	62.9	62,870	29.3	16,770	7.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	846	3.4	735	3.2	105	5.5	6	2.3
Moderate	4,581	18.1	4,129	17.9	424	22.1	28	10.7
Middle	7,962	31.5	7,295	31.6	588	30.6	79	30.3
Upper	11,593	45.9	10,675	46.3	774	40.3	144	55.2
Unknown	267	1.1	232	1.0	31	1.6	4	1.5
Total AA	25,249	100.0	23,066	100.0	1,922	100.0	261	100.0
Percentage of Total Businesses:				91.4		7.6		1.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2	1.0	2	1.0	0	0.0	0	0.0
Moderate	26	13.2	26	13.4	0	0.0	0	0.0
Middle	87	44.2	85	43.8	2	66.7	0	0.0
Upper	80	40.6	79	40.7	1	33.3	0	0.0
Unknown	2	1.0	2	1.0	0	0.0	0	0.0
Total AA	197	100.0	194	100.0	3	100.0	0	0.0
Percentage of Total Farms:				98.5		1.5		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

The following chart depicts government and private sector employees by industry for the assessment area. A large portion of area employment for residents comes from healthcare, government, retail trade, manufacturing, and accommodation and food services. Major area employers include Bon Secours Mercy Health Inc., Employbridge Southeast LLC, MAU Inc., Michelin North America Inc., and Prisma Health.

Greenville-Anderson, SC Employees by Industry												
	2020 - Q2	2020 - Q3	2020 - Q4	2021 - Q1	2021 - Q2	2021 - Q3	2021 - Q4	2022 - Q1	2022 - Q2	2022 - Q3	2022 - Q4	2023 - Q1
Government												
Government Total, all industries	33,047	31,366	31,783	31,693	31,393	29,684	31,987	31,789	32,079	31,985	32,531	32,493
Private Sector												
Private Sector Total, all industries	214,737	231,044	240,016	238,363	240,556	242,705	247,704	250,064	254,239	256,682	258,905	255,864
Agriculture, forestry, fishing and hunting	182	192	163	173	198	212	214	205	215	217	204	204
Mining, quarrying, and oil and gas extraction	32	31	31	35	39	41	41	89	85	90	89	85
Utilities	268	270	270	282	267	266	267	269	272	298	307	309
Construction	13,101	12,900	12,928	13,408	13,569	13,698	13,651	14,335	14,717	15,088	15,102	14,889
Manufacturing	27,512	28,472	28,719	29,108	29,296	29,502	30,004	30,407	30,768	31,145	31,375	31,331
Wholesale trade	13,163	13,128	13,106	12,865	12,911	13,033	13,348	13,433	13,567	13,768	13,863	13,861
Retail Trade	26,644	28,320	29,857	28,836	28,835	28,766	30,191	29,202	29,470	29,497	30,484	30,081
Transportation and warehousing	7,494	7,886	8,592	8,591	8,370	8,556	8,965	9,203	9,274	9,464	10,043	10,303
Information	5,007	5,001	5,046	5,495	5,499	5,405	5,391	5,401	5,263	5,401	5,411	4,617
Finance and insurance	11,392	11,254	11,307	11,329	11,183	11,350	11,550	11,802	11,983	12,167	12,328	12,158
Real estate and rental and leasing	3,752	3,847	3,979	3,778	3,857	3,984	4,190	3,943	4,020	4,085	4,166	3,955
Professional and technical services	16,695	17,457	17,391	17,733	17,733	17,923	18,577	19,300	19,625	19,915	20,351	20,900
Management of companies and enterprises	4,426	4,769	4,809	5,201	5,259	5,348	5,529	5,666	5,825	5,895	5,984	5,910
Administrative and waste services	27,243	33,403	36,862	34,864	34,160	34,017	35,040	34,541	34,017	33,077	32,137	30,118
Educational services	5,047	5,197	5,514	5,090	5,234	5,306	5,510	5,422	5,522	5,455	5,702	5,689
Health care and social assistance	27,205	28,309	30,218	30,264	30,570	30,490	30,854	31,716	32,337	32,796	33,177	33,212
Arts, entertainment, and recreation	2,158	3,118	3,182	3,213	3,899	4,092	3,894	3,936	4,525	4,526	4,289	4,405
Accommodation and food services	18,189	21,679	22,284	22,394	23,758	24,677	24,440	24,975	26,103	26,971	27,206	27,124
Other services, except public administration	5,223	5,809	5,757	5,705	5,919	6,039	6,048	6,189	6,609	6,686	6,688	6,708
Public administration	0	0	0	0	0	0	0	0	0	0	0	0
Unclassified	6	0	0	0	0	0	1	29	40	141	0	4
Source: Bureau of Labor Statistics(BLS), Quarterly Census of Employment and Wages												
* indicates that some or all of the data for this category was suppressed for confidentiality reasons												

Recent and historical unemployment rates since the previous evaluation are included in the following table.

Greenville-Anderson, SC Unemployment Rates					
Area	2018	2019	2020	2021	2022
Greenville-Anderson, SC	2.9%	2.4%	5.5%	3.4%	2.8%
Greenville-Anderson-Mauldin, SC MSA	3.0%	2.5%	5.6%	3.5%	2.9%
South Carolina	3.4%	2.8%	6.0%	3.9%	3.2%

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

While unemployment rates increased from 2019 to 2020 as a result of the COVID-19 pandemic, rates have steadily decreased from 2020 to 2022 within the assessment area, the MSA, and the State of South Carolina. Unemployment rates for the assessment area approximate unemployment rates for the Greenville-Anderson-Mauldin, SC MSA and State of South Carolina.

Greenville-Anderson, SC Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Greenville-Anderson, SC	\$69,181	\$78,157	13.0%
Greenville-Anderson-Mauldin, SC MSA	\$63,475	\$71,958	13.4%
South Carolina	\$61,559	\$68,813	11.8%

Source: 2011 - 2015 U.S. Census Bureau American Community Survey
 2016 - 2020 U.S. Census Bureau American Community Survey
 Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.

As noted in the preceding table, the median family income has increased within the assessment area during the evaluation period. Despite the increase in median family income across most areas, a majority of local housing cost burden percentages remained higher than, or near, 30 percent of household incomes during the review period for low- and moderate-income renters and owners within the assessment area, as presented in the chart below, suggesting that housing expense is a burden for many in the area.

Greenville-Anderson, SC Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Greenville-Anderson, SC	76.5%	42.8%	42.5%	50.7%	25.6%	15.2%
Greenville-Anderson-Mauldin, SC MSA	74.2%	37.9%	42.1%	48.5%	22.0%	14.9%
South Carolina	71.6%	43.2%	42.0%	53.3%	28.3%	18.0%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy</i>						

A local official from a local economic development office was contacted during the evaluation to assist in evaluating the bank's CRA performance and to discuss local economic conditions and community credit needs within the assessment area. The economic development office's purpose is to serve as a liaison between area businesses and local government, and offers education and legislative program, strategic research tools, business development consulting services, property tax incentive negotiations, and infrastructure development support. As a part of strategic planning for economic development within the area, the office works closely with local affordable housing authorities to ensure affordable housing is incorporated into local economic development planning. The contact noted that economic challenges within the area are not unique to Greenville, and include concerns regarding affordable housing, the rising cost of living, and access to childcare and transportation. The organization is funded through new market tax credits, opportunity zones, and state tax credits. The official noted that the organization's projects are capital-intensive, and therefore lower rate economic development loans would enable the office to continue to scale its services as the local business development expands. The contact mentioned participating with a national bank on specific projects but did not specifically mention relationships with local community or regional banks. The official was also unaware of any discrimination in the area by financial institutions.

HTB ranks 25th of 35 banks operating within the assessment area, having 0.3% of all FDIC-insured deposits as of June 30, 2023. Overall, opportunities for community development loans and investments within the market area are reasonably available. Despite it being a competitive market, the bank faces no significant constraints in taking advantage of all available community development opportunities. HTB serves the assessment area through its array of banking services and products, which includes community development loans, investments, and services that benefit low- and moderate-income borrowers and areas, and small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE GREENVILLE-ANDERSON, SC ASSESSMENT AREA

The bank's Lending Test performance in the Greenville-Anderson, SC assessment area is adequate, and is Low Satisfactory for the State of South Carolina. Lending levels show adequate responsiveness to assessment area credit needs. Overall, the geographic distribution of lending is adequate, while the lending among borrowers of different income levels and businesses of different sizes is adequate. The bank makes an adequate level of community development loans within the assessment area.

The Investment Test performance in the assessment area is good and is High Satisfactory for the State of South Carolina. The bank holds a significant level of qualified community development investments and grants that benefit the assessment area. Through its qualified investments and grants, the bank exhibits good responsiveness to credit and community development needs.

The Service Test performance in the assessment area is adequate and is Low Satisfactory for the State of South Carolina. The bank's delivery systems are reasonably accessible to all portions of the assessment area. Since the previous evaluation, the bank has not opened or closed any branches within the assessment area; consequently, branching activity has not adversely impacted the accessibility of its delivery systems, especially to low- and moderate-income residents and geographies. Within the assessment area, business hours and services do not vary in a way that inconveniences any particular individual or area. Further, the bank provides an adequate level of community development services that benefit the assessment area.

LENDING TEST

The institution's overall lending performance within this assessment area is considered Low Satisfactory. This conclusion is based on the evaluation of the bank's lending activity, the geographic and borrower lending distribution and the level of community development lending while considering the bank's market strategy, area demographic data, and aggregate CRA small business and HMDA loan data. Additionally, the bank makes use of flexible lending practices in serving the credit needs of the assessment area.

Lending Activity:

The bank's residential mortgage and small business lending within the assessment area, as measured by number (7.8%) and dollar (7.9%) as a percentage of the institution overall, is higher than the percentage of deposits (1.6%) and the percentage of branch offices (5.6%). As of June 30, 2023, HTB ranked 25th out of 35 financial institutions in deposit market share with .3% of the area's available FDIC-insured deposits (excluding credit union deposits). According to 2022 aggregate data, the institution ranked 44th of 523 reporters of mortgage lending with a .6% market share and ranked 38th of 116 reporters of small business loans with a .1% market share. All market share rankings consider originated and purchased loans. Lending activity reflects adequate responsiveness to assessment area credit needs and is considered adequate overall.

Geographic Distribution:

The geographic loan distribution within this assessment is considered adequate for residential mortgage and good for small business lending. Overall, the bank's geographic loan distribution performance is considered adequate within the assessment area. Within this assessment area, residential mortgage lending accounts for \$78.4 million, compared to small business lending which accounts for \$13.2 million.

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Greenville-Anderson, SC													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	%	%	#	##%	##%	\$(000)	%	%	
Home Purchase Loans													
Low	3	4.2	4.0	1,197	5.1	3.3	0	0.0	2.3	0	0.0	1.5	2.4
Moderate	3	4.2	12.3	1,325	5.6	9.2	8	13.8	16.4	2,850	13.9	12.6	15.5
Middle	29	40.3	39.6	10,187	43.1	35.3	24	41.4	36.2	7,511	36.5	32.2	35.8
Upper	37	51.4	44.2	10,912	46.2	52.1	26	44.8	44.8	10,202	49.6	53.2	46.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.3	0	0.0	0.5	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	72	100.0	100.0	23,621	100.0	100.0	58	100.0	100.0	20,563	100.0	100.0	100.0
Refinance Loans													
Low	3	3.9	2.7	1,137	5.7	2.5	1	4.8	2.0	105	1.5	1.4	2.4
Moderate	5	6.6	8.2	1,111	5.6	5.7	2	9.5	13.1	409	5.8	9.9	15.5
Middle	25	32.9	34.0	7,016	35.5	29.3	6	28.6	35.0	2,188	31.2	31.0	35.8
Upper	43	56.6	55.1	10,524	53.2	62.6	12	57.1	49.8	4,318	61.5	57.5	46.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	76	100.0	100.0	19,788	100.0	100.0	21	100.0	100.0	7,020	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	3.0	0	0.0	3.6	0	0.0	0.8	0	0.0	0.9	2.4
Moderate	0	0.0	8.6	0	0.0	6.7	4	21.1	11.8	312	19.5	9.2	15.5
Middle	2	10.0	31.1	174	7.4	24.7	6	31.6	27.2	579	36.1	24.1	35.8
Upper	18	90.0	57.3	2,167	92.6	65.0	9	47.4	60.0	713	44.5	65.4	46.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.5	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	20	100.0	100.0	2,341	100.0	100.0	19	100.0	100.0	1,604	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	16.1	0	0.0	14.9	0	0.0	8.1	0	0.0	5.8	3.5
Moderate	0	0.0	30.6	0	0.0	12.9	0	0.0	31.1	0	0.0	33.1	23.1
Middle	0	0.0	25.8	0	0.0	24.4	0	0.0	31.1	0	0.0	30.3	35.2
Upper	0	0.0	27.4	0	0.0	47.9	0	0.0	28.4	0	0.0	26.9	35.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	1.4	0	0.0	3.9	2.8
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	7	3.8	3.3	2,574	5.4	3.3	1	0.9	2.0	105	0.3	2.0	2.4
Moderate	9	4.9	10.0	2,554	5.4	7.7	14	12.8	14.7	3,571	11.5	14.2	15.5
Middle	59	32.4	36.1	17,834	37.6	31.7	37	33.9	34.8	10,353	33.5	31.1	35.8
Upper	107	58.8	50.6	24,449	51.6	57.3	57	52.3	48.2	16,911	54.7	51.8	46.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.3	0	0.0	0.9	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	182	100.0	100.0	47,411	100.0	100.0	109	100.0	100.0	30,940	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Multifamily lending was given less weight due to the limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance lending is good, home purchase lending is poor, and home improvement lending is very poor.

As reflected in the preceding table, HTB's percentage of 2021 HMDA lending in low-income census tracts (3.8%) exceeded the aggregate lending level (3.3%) and approximated the percentage of owner-occupied housing units located in such tracts (3.9%). The bank's level of lending in moderate-income census tracts (4.9%) was significantly lower than the level of aggregate lending in such tracts (10%) and the percentage of owner-occupied housing units located in such tracts (13.9%). Overall, the bank's 2021 performance is considered adequate, and its performance during 2022 is substantially similar.

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Greenville-Anderson, SC													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	3	8.6	6.3	1,440	15.0	7.8	0	0.0	2.7	0	0.0	3.4	3.4
Moderate	2	5.7	12.7	575	6.0	14.1	4	26.7	15.9	1,619	45.6	17.0	18.1
Middle	7	20.0	30.3	1,500	15.6	27.8	3	20.0	32.4	1,000	28.1	29.7	31.5
Upper	23	65.7	49.9	6,106	63.5	50.3	8	53.3	47.1	935	26.3	48.2	45.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	1.3	0	0.0	1.6	1.1
Tract-Unk	0	0.0	0.8	0	0.0	0.1	0	0.0	0.5	0	0.0	0.2	
Total	35	100.0	100.0	9,621	100.0	100.0	15	100.0	100.0	3,554	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

The bank's percentage of 2021 small business lending in low-income census tracts (8.6%) is higher than the aggregate reporters' lending level (6.3%) and the percentage of businesses located in such tracts (7%). Conversely, the bank's percentage of small business lending in moderate-income census tracts (5.7%) lags the aggregate lending level (12.7%) and the percentage of businesses located in such tracts (14.8%). Overall, the bank's small business lending performance during 2021 is considered adequate.

During 2022, the bank did not originate any small business loans in low-income census tracts within the assessment area, while the aggregate lenders reported 2.7% of small business loans in low-income census tracts, which approximates the percentage of businesses located in such tracts (3.4%). The bank's percentage of small business lending in moderate-income census tracts (26.7%) was substantially higher than the aggregate lending level (15.9%) and the percentage of businesses located in such tracts (18.1%). Overall, the bank's small business lending performance during 2022 is considered excellent.

On a combined basis, the bank's geographic distribution of small business loans is considered good.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's borrower distribution is considered poor overall for residential mortgage and adequate overall for small business lending. When taking into consideration the relative dollar volume and strength of performance for each loan product, overall lending is considered adequate.

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Greenville-Anderson, SC													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	\$%	#	##	##	\$(000)	%	\$%	
Home Purchase Loans													
Low	3	4.2	5.3	536	2.3	3.0	3	5.2	4.6	451	2.2	2.3	18.6
Moderate	4	5.6	19.2	915	3.9	14.1	9	15.5	17.2	1,911	9.3	11.5	16.3
Middle	17	23.6	21.6	4,332	18.3	19.1	13	22.4	21.5	4,159	20.2	18.3	20.0
Upper	48	66.7	37.0	17,838	75.5	47.5	32	55.2	40.9	13,816	67.2	52.2	45.1
Unknown	0	0.0	16.9	0	0.0	16.2	1	1.7	15.9	226	1.1	15.6	0.0
Total	72	100.0	100.0	23,621	100.0	100.0	58	100.0	100.0	20,563	100.0	100.0	100.0
Refinance Loans													
Low	5	6.6	5.6	691	3.5	2.9	0	0.0	9.9	0	0.0	5.4	18.6
Moderate	8	10.5	15.1	1,280	6.5	10.4	2	9.5	20.6	402	5.7	14.9	16.3
Middle	13	17.1	20.1	2,839	14.3	16.6	1	4.8	23.8	360	5.1	21.3	20.0
Upper	49	64.5	39.8	14,835	75.0	50.1	18	85.7	33.8	6,258	89.1	45.5	45.1
Unknown	1	1.3	19.4	143	0.7	20.0	0	0.0	11.9	0	0.0	12.9	0.0
Total	76	100.0	100.0	19,788	100.0	100.0	21	100.0	100.0	7,020	100.0	100.0	100.0
Home Improvement Loans													
Low	1	5.0	5.7	39	1.7	2.8	0	0.0	5.6	0	0.0	3.1	18.6
Moderate	2	10.0	14.3	38	1.6	9.8	2	10.5	12.8	85	5.3	7.4	16.3
Middle	5	25.0	18.2	333	14.2	12.9	6	31.6	19.6	400	24.9	14.9	20.0
Upper	11	55.0	57.3	1,831	78.2	69.5	10	52.6	57.8	1,069	66.6	69.2	45.1
Unknown	1	5.0	4.5	100	4.3	5.0	1	5.3	4.2	50	3.1	5.4	0.0
Total	20	100.0	100.0	2,341	100.0	100.0	19	100.0	100.0	1,604	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	9	4.9	5.4	1,266	2.7	3.0	3	2.8	6.2	451	1.5	3.1	18.6
Moderate	14	7.7	16.6	2,233	4.7	12.1	13	11.9	17.4	2,398	7.8	12.1	16.3
Middle	37	20.3	20.5	7,648	16.1	17.6	23	21.1	21.8	5,234	16.9	18.8	20.0
Upper	120	65.9	39.5	36,021	76.0	49.4	68	62.4	41.1	22,581	73.0	51.7	45.1
Unknown	2	1.1	18.0	243	0.5	18.1	2	1.8	13.5	276	0.9	14.4	0.0
Total	182	100.0	100.0	47,411	100.0	100.0	109	100.0	100.0	30,940	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase and home improvement loans. Considering both demographic and aggregate proxies for demand, the bank's performance for refinance and home improvement lending is considered adequate, while its performance for home purchase lending is poor.

In 2021, the bank's overall level of HMDA lending to low-income borrowers (4.9%) approximated the aggregate lending levels to such borrowers (5.4%), both of which were substantially lower than the percentage of low-income families within the assessment area (21.1%). The bank's lending to moderate-income borrowers (7.7%) was significantly lower than the aggregate lending levels to such borrowers (16.6%) and the percentage of moderate-income families within the area (15.2%). Overall, the bank's performance during 2021 is considered poor.

In 2022, the bank's overall level of HMDA lending to low-income borrowers (2.8%) was less than the aggregate lending levels to such borrowers (6.2%), both of which were substantially lower than the percentage of low-income families within the assessment area (18.6%). The bank's lending to moderate-income borrowers (11.9%) was also lower than the aggregate lending levels to such borrowers (17.4%) and the percentage of moderate-income families within the area (15.2%). Overall, the bank's performance during 2022 is considered adequate.

On a combined basis, the bank's borrower distribution of HMDA loans is considered poor and places slightly more weight on 2021 due to the larger dollar volume of lending extended during that year.

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Greenville-Anderson, SC													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	16	45.7	46.3	5,271	54.8	32.3	3	20.0	49.1	526	14.8	34.4	91.4
Over \$1 Million	13	37.1		3,739	38.9		8	53.3		2,370	66.7		7.6
Revenue Unknown	6	17.1		611	6.4		4	26.7		658	18.5		1.0
Total	35	100.0		9,621	100.0		15	100.0		3,554	100.0		100.0
By Loan Size													
\$100,000 or Less	9	25.7	90.3	475	4.9	30.7	6	40.0	92.9	346	9.7	35.9	
\$100,001 - \$250,000	11	31.4	5.1	1,979	20.6	18.0	5	33.3	3.4	1,124	31.6	14.7	
\$250,001 - \$1 Million	15	42.9	4.6	7,167	74.5	51.3	4	26.7	3.7	2,084	58.6	49.4	
Total	35	100.0	100.0	9,621	100.0	100.0	15	100.0	100.0	3,554	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	3	18.8		120	2.3		2	66.7		126	24.0		
\$100,001 - \$250,000	6	37.5		1,007	19.1		0	0.0		0	0.0		
\$250,001 - \$1 Million	7	43.8		4,144	78.6		1	33.3		400	76.0		
Total	16	100.0		5,271	100.0		3	100.0		526	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

D&B data from 2021 indicates that 91.1% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 45.7% were to businesses with revenues of \$1 million or less, while 46.3% of the aggregate lending level were to businesses with revenues of \$1 million or less. The percentage of the bank's small business loans extended to businesses with revenues of \$1 million or less was impacted by a considerable volume of loans for which borrower revenue was unknown (17.1% of all loans). As previously noted, the bank was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, 55.2% of the bank's small business loans were to businesses with annual revenues of \$1 million or less.

Aggregate small business data was also considered as an element of performance context in evaluating the bank's distribution by business revenue. During 2021, 46.3% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loan, which limits its impact as a proxy when evaluating the bank's performance.

Because small dollar loans can demonstrate a willingness to provide credit to small businesses, the bank's distribution by loan size was also considered. Overall, the bank originated 25.7% of its small business loans in amounts of \$100,000 or less, which was substantially lower than the aggregate level of such lending (90.3%).

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

Distribution of 2021 PPP Small Business Loans with No Revenue By Loan Size				
Assessment Area: Greenville-Anderson, SC				
	Bank			
	#	#%	\$(000)	%
By Loan Size				
\$100,000 or Less	2	66.7%	97	24.9%
\$100,001 - \$250,000	0	0.0%	0	0.0%
\$250,001 - \$1 Million	1	33.3%	293	75.1%
Total	3	100.0%	390	100.0%
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>				

Within the assessment area, a majority (66.7%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that a majority of bank's PPP lending helped serve the needs of small businesses within the area.

The bank's 2021 borrower distribution performance of lending to small businesses is considered good.

D&B data from 2022 indicates that 91.4% of all local businesses have revenues that do not exceed \$1 million per year. Of the total volume of small business loans considered in the evaluation, 20% were to businesses with revenues of \$1 million or less, while 49.1% of the aggregate lending level were to businesses with revenues of \$1 million or less. The bank's borrower distribution performance during 2022 is considered poor.

On a combined basis, the bank's borrower distribution of small business loans is considered adequate overall.

Community Development Loans:

Opportunities for community development lending are reasonably available within the Greenville-Anderson, SC assessment area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period, HTB originated or renewed an adequate level of community development loans within this assessment area. Two qualified community development loans totaling approximately \$3.9 million were originated during the evaluation period to finance the construction of a multifamily affordable housing developments within the assessment area and broader statewide area.

INVESTMENT TEST

Overall, HTB has a significant level of qualified community development investments that benefit the assessment area. The bank holds three qualified investments that directly benefit the Greenville-Anderson, SC assessment area totaling approximately \$4.3 million for the evaluation period. In addition, the bank made qualified investments in the form of donations totaling \$13,850 that benefit this assessment area and the greater statewide area. These investments demonstrate good responsiveness to the affordable housing and community development needs within the area.

Investments that benefit the Greenville-Anderson, SC assessment area include:

- **Freddie Mac Multifamily Loan Pools:** Three investments totaling approximately \$4.3 million in loan pools comprised of affordable multifamily housing projects within the assessment area.

HTB's Investment Test performance in the Greenville-Anderson, SC assessment area is considered High Satisfactory.

SERVICE TEST

Within the assessment area, HTB's performance under the Service Test is considered Low Satisfactory. Systems for delivering retail banking services are reasonably accessible to all portions of the assessment area, including low- and moderate-income areas, and do not vary in a way that inconveniences low- and moderate-income individuals or areas within the area. Additionally, the bank has provided an adequate level of qualified services to community development organizations. Since the previous evaluation, the bank has not opened or closed any branch offices within the assessment area.

Retail Services:

Delivery systems are reasonably accessible to all portions of the assessment area. ATMs are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail, online banking, and mobile banking services are also offered by the institution. In addition, HTB provides customers with 24-hour telephone access to their accounts through an automated system. Additionally, the bank's business hours and services offered do not vary in a way that inconveniences low- or moderate-income geographies or individuals within the area.

HTB operates two full-service branch offices in the assessment area, both of which are located in middle-income census tracts. While none of the branches are located directly in low- or moderate-income census tracts, one branch is located within one-half of a mile from a moderate-income census tract and within two miles of numerous moderate-income census tracts. Given the close proximity to moderate-income census tracts, the geographic distribution of branches is adequate when considering that 3.6% and 19.7% of the assessment area's households reside in low- and moderate-income census tracts, respectively. The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies. As previously noted, HTB did not open or close any branch offices within the assessment area during the evaluation period.

Community Development Services:

The bank provides an adequate level of community development services in the Greenville-Anderson, SC assessment area. Two bank employees volunteered their time and utilized their financial expertise by serving at community development organizations within the assessment area.

Services that benefit the Greenville-Anderson, SC assessment area include:

- **Rebuild Upstate:** One bank employee serves on the board of directors of this organization that provides free emergency home repair and preservation services for low-income residents within the assessment area.
- **STRIDES:** One employee serves on the board of directors for this organization that provides academic tutoring where fees are applied on a sliding scale based on a household's ability to pay, resulting in significantly reduced fees for students from low- and moderate-income households within the assessment area.

CRA APPENDIX A

SCOPE OF EXAMINATION

LIST OF ASSESSMENT AREAS, TYPE OF EXAMINATION, AND BRANCHES VISITED		
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED⁶
Asheville, NC	Full-Scope	None
Polk County, NC NonMSA	Full-Scope	None
Raleigh-Cary, NC	Limited-Scope	None
Charlotte-Concord-Gastonia, NC	Limited-Scope	None
Greensboro-High Point, NC	Limited-Scope	None
Winston-Salem, NC	Limited-Scope	None
Roanoke, VA MSA	Full-Scope	None
Danville, VA NonMSA	Limited-Scope	None
Knoxville-Morristown-Sevierville, TN	Full-Scope	None
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	Full-Scope	None
Greenville-Anderson, SC	Full-Scope	None

⁶ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

CRA APPENDIX B

SUMMARY OF STATE AND MULTISTATE METROPOLITAN AREA RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall Rating
State of North Carolina	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Commonwealth of Virginia	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State of Tennessee	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Johnson City-Kingsport-Bristol, TN-VA Multistate CSA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of South Carolina	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

CRA APPENDIX C

LIMITED-SCOPE LENDING AND DEMOGRAPHIC TABLES

Raleigh-Cary, NC

2021 Demographic Data:

2021 Raleigh-Cary, NC AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	12	6.4	10,357	4.2	3,064	29.6	48,494	19.9
Moderate	36	19.3	51,294	21.0	7,572	14.8	39,546	16.2
Middle	57	30.5	79,605	32.6	5,514	6.9	45,805	18.8
Upper	79	42.2	102,616	42.1	3,005	2.9	110,095	45.1
Unknown	3	1.6	68	0.0	0	0.0	0	0.0
Total AA	187	100.0	243,940	100.0	19,155	7.9	243,940	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	22,049	4,911	2.1	22.3	15,006	68.1	2,132	9.7
Moderate	89,353	44,836	19.2	50.2	38,058	42.6	6,459	7.2
Middle	129,958	80,203	34.3	61.7	40,381	31.1	9,374	7.2
Upper	151,332	104,083	44.5	68.8	37,081	24.5	10,168	6.7
Unknown	121	51	0.0	42.1	59	48.8	11	9.1
Total AA	392,813	234,084	100.0	59.6	130,585	33.2	28,144	7.2
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2,635	4.2	2,365	4.0	252	6.5	18	2.9
Moderate	12,634	20.1	11,679	20.0	854	22.1	101	16.2
Middle	20,667	32.8	19,192	32.8	1,288	33.3	187	30.1
Upper	26,928	42.8	25,162	43.0	1,451	37.5	315	50.6
Unknown	77	0.1	55	0.1	21	0.5	1	0.2
Total AA	62,941	100.0	58,453	100.0	3,866	100.0	622	100.0
Percentage of Total Businesses:				92.9		6.1		1.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	12	2.3	12	2.3	0	0.0	0	0.0
Moderate	90	17.0	86	16.7	4	44.4	0	0.0
Middle	220	41.7	214	41.5	3	33.3	3	100.0
Upper	206	39.0	204	39.5	2	22.2	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	528	100.0	516	100.0	9	100.0	3	100.0
Percentage of Total Farms:				97.7		1.7		0.6
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Geographic Distribution Tables:

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: Raleigh-Cary, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Home Purchase Loans													
Low	0	0.0	2.8	0	0.0	2.3	2	10.5	3.3	351	3.7	2.3	3.0
Moderate	14	38.9	18.7	2,601	18.8	14.1	1	5.3	16.6	380	4.0	12.5	14.8
Middle	6	16.7	33.7	2,521	18.2	30.2	3	15.8	41.7	1,013	10.6	37.7	36.2
Upper	16	44.4	44.8	8,709	63.0	53.4	13	68.4	37.0	7,843	81.8	45.8	44.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	1.4	0	0.0	1.6	1.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	36	100.0	100.0	13,831	100.0	100.0	19	100.0	100.0	9,587	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	1.7	0	0.0	1.3	0	0.0	3.1	0	0.0	2.1	3.0
Moderate	2	5.6	14.7	367	2.2	10.8	0	0.0	15.8	0	0.0	11.1	14.8
Middle	5	13.9	32.7	2,693	16.3	28.9	0	0.0	39.3	0	0.0	35.3	36.2
Upper	29	80.6	50.9	13,492	81.5	59.0	7	87.5	40.8	4,264	95.5	49.7	44.7
Unknown	0	0.0	0.0	0	0.0	0.0	1	12.5	1.0	200	4.5	1.2	1.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	36	100.0	100.0	16,552	100.0	100.0	8	100.0	100.0	4,464	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	1.3	0	0.0	1.1	1	6.7	1.8	170	6.5	1.1	3.0
Moderate	2	14.3	13.7	292	14.1	9.6	1	6.7	11.8	146	5.6	8.2	14.8
Middle	2	14.3	30.4	246	11.9	25.1	3	20.0	34.8	371	14.2	28.5	36.2
Upper	10	71.4	54.6	1,526	73.9	64.2	10	66.7	50.2	1,930	73.7	60.2	44.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	1.5	0	0.0	2.0	1.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	14	100.0	100.0	2,064	100.0	100.0	15	100.0	100.0	2,617	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	2	40.0	21.3	26,650	89.7	9.8	1	50.0	13.3	1,565	67.0	5.5	10.6
Moderate	1	20.0	27.8	500	1.7	22.5	0	0.0	19.5	0	0.0	10.5	18.8
Middle	1	20.0	30.6	871	2.9	30.1	1	50.0	35.2	772	33.0	55.9	34.9
Upper	1	20.0	19.4	1,700	5.7	37.4	0	0.0	27.3	0	0.0	26.4	33.3
Unknown	0	0.0	0.9	0	0.0	0.0	0	0.0	4.7	0	0.0	1.7	2.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	5	100.0	100.0	29,721	100.0	100.0	2	100.0	100.0	2,337	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	2	2.0	2.1	26,650	41.6	2.0	4	5.6	2.9	2,086	8.6	2.7	3.0
Moderate	19	19.2	16.0	3,760	5.9	12.6	4	5.6	15.4	654	2.7	11.1	14.8
Middle	14	14.1	32.8	6,331	9.9	29.3	11	15.3	39.7	2,669	11.0	39.3	36.2
Upper	64	64.6	49.0	27,375	42.7	56.1	50	69.4	40.6	18,333	75.3	44.7	44.7
Unknown	0	0.0	0.0	0	0.0	0.0	3	4.2	1.4	590	2.4	1.6	1.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	99	100.0	100.0	64,116	100.0	100.0	72	100.0	100.0	24,332	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Raleigh-Cary, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	\$%	\$%	#	##%	##%	\$(000)	\$%	\$%	
Low	5	10.9	3.8	615	7.0	5.4	4	16.7	4.7	544	7.2	6.3	4.9
Moderate	17	37.0	19.2	2,342	26.7	18.4	6	25.0	15.6	2,319	30.7	12.9	15.2
Middle	11	23.9	32.8	2,951	33.6	33.3	9	37.5	34.1	2,790	36.9	35.4	34.6
Upper	13	28.3	43.7	2,862	32.6	42.6	4	16.7	43.8	1,505	19.9	43.9	44.3
Unknown	0	0.0	0.1	0	0.0	0.3	1	4.2	1.6	400	5.3	1.5	1.1
Tract-Unk	0	0.0	0.5	0	0.0	0.1	0	0.0	0.3	0	0.0	0.1	
Total	46	100.0	100.0	8,770	100.0	100.0	24	100.0	100.0	7,558	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Borrower Distribution Tables:

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Raleigh-Cary, NC													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	9	25.0	4.9	1,200	8.7	2.7	2	10.5	4.3	351	3.7	2.2	19.5
Moderate	3	8.3	15.9	718	5.2	11.8	0	0.0	14.9	0	0.0	10.7	15.7
Middle	1	2.8	21.1	185	1.3	19.3	2	10.5	24.6	743	7.8	22.4	20.4
Upper	17	47.2	44.6	5,813	42.0	52.8	14	73.7	43.9	8,073	84.2	53.1	44.4
Unknown	6	16.7	13.5	5,915	42.8	13.4	1	5.3	12.3	420	4.4	11.6	0.0
Total	36	100.0	100.0	13,831	100.0	100.0	19	100.0	100.0	9,587	100.0	100.0	100.0
Refinance Loans													
Low	1	2.8	6.0	153	0.9	3.2	0	0.0	12.0	0	0.0	7.1	19.5
Moderate	6	16.7	14.8	1,304	7.9	10.7	0	0.0	20.4	0	0.0	15.9	15.7
Middle	4	11.1	20.6	750	4.5	18.5	0	0.0	22.8	0	0.0	22.0	20.4
Upper	24	66.7	43.3	13,670	82.6	51.7	8	100.0	35.4	4,464	100.0	44.7	44.4
Unknown	1	2.8	15.3	675	4.1	15.9	0	0.0	9.4	0	0.0	10.3	0.0
Total	36	100.0	100.0	16,552	100.0	100.0	8	100.0	100.0	4,464	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.3	0	0.0	2.2	0	0.0	5.4	0	0.0	2.7	19.5
Moderate	0	0.0	12.1	0	0.0	7.3	1	6.7	14.6	90	3.4	8.4	15.7
Middle	3	21.4	17.8	392	19.0	13.6	3	20.0	23.6	497	19.0	18.1	20.4
Upper	11	78.6	62.9	1,672	81.0	73.6	11	73.3	53.3	2,030	77.6	67.5	44.4
Unknown	0	0.0	2.9	0	0.0	3.3	0	0.0	3.1	0	0.0	3.4	0.0
Total	14	100.0	100.0	2,064	100.0	100.0	15	100.0	100.0	2,617	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	10	10.6	5.5	1,353	3.9	3.0	2	2.9	6.8	351	1.6	3.5	19.5
Moderate	10	10.6	14.9	2,151	6.3	11.0	4	5.7	16.3	268	1.2	11.8	15.7
Middle	8	8.5	20.5	1,327	3.9	18.6	9	12.9	23.6	1,728	7.9	21.8	20.4
Upper	59	62.8	45.1	22,974	66.8	52.7	54	77.1	43.2	19,228	87.4	52.1	44.4
Unknown	7	7.4	14.0	6,590	19.2	14.7	1	1.4	10.0	420	1.9	10.7	0.0
Total	94	100.0	100.0	34,395	100.0	100.0	70	100.0	100.0	21,995	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Raleigh-Cary, NC													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	15	32.6	46.8	4,067	46.4	31.4	8	33.3	51.1	4,078	54.0	35.1	93.0
Over \$1 Million	23	50.0		3,269	37.3		15	62.5		3,450	45.6		6.0
Revenue Unknown	8	17.4		1,434	16.4		1	4.2		30	0.4		1.1
Total	46	100.0		8,770	100.0		24	100.0		7,558	100.0		100.0
By Loan Size													
\$100,000 or Less	21	45.7	91.3	1,302	14.8	33.6	5	20.8	94.2	287	3.8	40.7	
\$100,001 - \$250,000	14	30.4	4.8	2,114	24.1	18.4	8	33.3	3.0	1,252	16.6	14.6	
\$250,001 - \$1 Million	11	23.9	4.0	5,354	61.0	48.0	11	45.8	2.9	6,019	79.6	44.7	
Total	46	100.0	100.0	8,770	100.0	100.0	24	100.0	100.0	7,558	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	5	33.3		325	8.0		0	0.0		0	0.0		
\$100,001 - \$250,000	4	26.7		496	12.2		2	25.0		284	7.0		
\$250,001 - \$1 Million	6	40.0		3,246	79.8		6	75.0		3,794	93.0		
Total	15	100.0		4,067	100.0		8	100.0		4,078	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Charlotte-Concord-Gastonia, NC

2021 Demographic Data:

2021 Charlotte-Concord-Gastonia, NC AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	33	11.1	24,789	8.6	8,923	36.0	66,226	22.9
Moderate	77	25.8	67,501	23.3	13,912	20.6	46,263	16.0
Middle	79	26.5	79,145	27.3	7,467	9.4	50,902	17.6
Upper	105	35.2	117,832	40.7	4,356	3.7	126,029	43.5
Unknown	4	1.3	153	0.1	69	45.1	0	0.0
Total AA	298	100.0	289,420	100.0	34,727	12.0	289,420	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	49,620	10,973	4.0	22.1	32,106	64.7	6,541	13.2
Moderate	124,412	55,332	20.4	44.5	56,700	45.6	12,380	10.0
Middle	136,423	78,472	29.0	57.5	46,407	34.0	11,544	8.5
Upper	191,176	126,082	46.5	66.0	52,352	27.4	12,742	6.7
Unknown	669	90	0.0	13.5	438	65.5	141	21.1
Total AA	502,300	270,949	100.0	53.9	188,003	37.4	43,348	8.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	6,082	9.1	5,361	8.7	690	13.9	31	4.9
Moderate	12,741	19.0	11,628	18.9	1,012	20.3	101	16.1
Middle	16,724	24.9	15,454	25.1	1,132	22.8	138	22.0
Upper	30,914	46.0	28,578	46.4	1,983	39.9	353	56.2
Unknown	695	1.0	533	0.9	157	3.2	5	0.8
Total AA	67,156	100.0	61,554	100.0	4,974	100.0	628	100.0
Percentage of Total Businesses:				91.7		7.4		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	21	6.5	20	6.3	1	20.0	0	0.0
Moderate	49	15.1	47	14.7	2	40.0	0	0.0
Middle	89	27.4	89	27.8	0	0.0	0	0.0
Upper	164	50.5	162	50.6	2	40.0	0	0.0
Unknown	2	0.6	2	0.6	0	0.0	0	0.0
Total AA	325	100.0	320	100.0	5	100.0	0	0.0
Percentage of Total Farms:				98.5		1.5		0.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Geographic Distribution Tables:

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Charlotte-Concord-Gastonia, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	2	7.4	4.9	581	7.2	4.0	7	22.6	4.1	1,281	8.9	3.4	3.2
Moderate	10	37.0	19.0	2,343	28.9	14.4	8	25.8	23.0	2,411	16.7	16.5	24.4
Middle	5	18.5	29.7	1,162	14.3	24.5	2	6.5	26.1	613	4.2	21.9	26.4
Upper	10	37.0	46.2	4,031	49.7	57.0	14	45.2	45.5	10,166	70.3	57.1	45.2
Unknown	0	0.0	0.2	0	0.0	0.1	0	0.0	1.3	0	0.0	1.0	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	27	100.0	100.0	8,117	100.0	100.0	31	100.0	100.0	14,471	100.0	100.0	100.0
Refinance Loans													
Low	1	2.9	3.1	462	3.5	2.5	0	0.0	2.8	0	0.0	2.0	3.2
Moderate	4	11.8	15.5	524	4.0	11.0	1	5.9	24.2	415	7.1	17.0	24.6
Middle	5	14.7	26.7	1,064	8.1	20.2	2	11.8	28.6	295	5.0	23.2	26.4
Upper	24	70.6	54.6	11,037	84.3	66.2	14	82.4	43.8	5,175	87.9	57.3	45.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.6	0	0.0	0.5	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	34	100.0	100.0	13,087	100.0	100.0	17	100.0	100.0	5,885	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	2.9	0	0.0	2.2	1	12.5	2.2	23	4.6	1.6	3.2
Moderate	0	0.0	13.8	0	0.0	9.8	0	0.0	16.3	0	0.0	10.8	24.6
Middle	1	50.0	21.9	109	59.2	16.0	3	37.5	22.6	202	40.6	16.6	26.4
Upper	1	50.0	61.3	75	40.8	71.9	4	50.0	58.2	272	54.7	70.4	45.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.7	0	0.0	0.6	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	184	100.0	100.0	8	100.0	100.0	497	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	23.6	0	0.0	17.2	0	0.0	14.3	0	0.0	8.9	9.0
Moderate	0	0.0	39.3	0	0.0	36.2	0	0.0	41.3	0	0.0	26.3	27.5
Middle	0	0.0	20.7	0	0.0	14.6	0	0.0	22.8	0	0.0	29.1	23.5
Upper	0	0.0	15.0	0	0.0	31.4	0	0.0	17.5	0	0.0	30.4	35.8
Unknown	0	0.0	1.4	0	0.0	0.6	0	0.0	4.2	0	0.0	5.3	4.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	3	3.9	3.8	1,043	4.4	3.9	8	11.3	3.4	1,304	5.7	3.8	3.2
Moderate	16	20.8	16.7	2,947	12.5	13.8	9	12.7	22.3	2,826	12.3	17.7	24.6
Middle	14	18.2	27.6	2,658	11.3	21.5	12	16.9	26.3	1,620	7.1	22.9	26.4
Upper	44	57.1	51.8	16,854	71.7	60.7	42	59.2	47.0	17,149	74.9	54.0	45.2
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	1.0	0	0.0	1.5	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	77	100.0	100.0	23,502	100.0	100.0	71	100.0	100.0	22,899	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Assessment Area: Charlotte-Concord-Gastonia, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	9	13.0	8.8	3,775	17.4	12.0	3	7.1	5.6	228	2.9	7.7	5.9
Moderate	9	13.0	18.6	2,436	11.3	19.4	9	21.4	24.6	2,216	28.0	24.4	25.1
Middle	26	37.7	24.7	8,565	39.6	19.4	7	16.7	22.5	1,139	14.4	18.0	22.1
Upper	25	36.2	46.6	6,866	31.7	46.9	21	50.0	44.7	3,659	46.3	45.5	44.0
Unknown	0	0.0	0.8	0	0.0	2.2	2	4.8	2.4	664	8.4	4.2	3.0
Tract-Unk	0	0.0	0.5	0	0.0	0.1	0	0.0	0.3	0	0.0	0.1	
Total	69	100.0	100.0	21,642	100.0	100.0	42	100.0	100.0	7,906	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Borrower Distribution Tables:

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Charlotte-Concord-Gastonia, NC													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$\$	\$\$	#	##	##	\$(000)	\$\$	\$\$	
Home Purchase Loans													
Low	1	3.7	3.8	140	1.7	1.8	8	25.8	3.7	1,26	8.7	1.7	21.6
Moderate	4	14.8	15.3	555	6.8	10.0	4	12.9	15.3	677	4.7	9.8	17.2
Middle	4	14.8	19.4	879	10.8	16.0	1	3.2	21.2	345	2.4	17.4	18.9
Upper	16	59.3	47.3	5,972	73.6	58.4	18	58.1	45.4	12,186	84.2	57.3	42.3
Unknown	2	7.4	14.2	571	7.0	13.7	0	0.0	14.3	0	0.0	13.7	0.0
Total	27	100.0	100.0	8,117	100.0	100.0	31	100.0	100.0	14,471	100.0	100.0	100.0
Refinance Loans													
Low	1	2.9	4.9	167	1.3	2.4	0	0.0	11.4	0	0.0	6.1	21.6
Moderate	1	2.9	13.5	260	2.0	8.5	2	11.8	21.3	246	4.2	15.2	17.2
Middle	6	17.6	18.5	1,298	9.9	14.4	2	11.8	21.5	375	6.4	18.8	18.9
Upper	21	61.8	46.1	10,146	77.5	57.8	10	58.8	35.4	4,194	71.3	47.9	42.3
Unknown	5	14.7	17.1	1,216	9.3	16.9	3	17.6	10.4	1,070	18.2	11.5	0.0
Total	34	100.0	100.0	13,087	100.0	100.0	17	100.0	100.0	5,885	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	3.9	0	0.0	2.0	2	25.0	4.5	152	30.6	2.4	21.6
Moderate	0	0.0	9.5	0	0.0	5.5	2	25.0	12.8	108	21.7	6.9	17.2
Middle	0	0.0	16.1	0	0.0	10.1	1	12.5	21.2	50	10.1	14.6	18.9
Upper	2	100.0	67.3	184	100.0	78.7	2	25.0	58.4	137	27.6	72.8	42.3
Unknown	0	0.0	3.2	0	0.0	3.7	1	12.5	3.0	50	10.1	3.3	0.0
Total	2	100.0	100.0	184	100.0	100.0	8	100.0	100.0	497	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	2.6	4.4	307	1.3	2.1	11	15.5	6.3	1,463	6.4	3.0	21.6
Moderate	5	6.5	13.9	815	3.5	9.1	8	11.3	16.7	1,031	4.5	11.0	17.2
Middle	15	19.5	18.5	2,560	10.9	14.9	6	8.5	21.1	1,115	4.9	17.5	18.9
Upper	46	59.7	47.6	17,958	76.4	58.6	42	59.2	44.0	18,169	79.3	55.8	42.3
Unknown	9	11.7	15.6	1,862	7.9	15.3	4	5.6	11.9	1,120	4.9	12.7	0.0
Total	77	100.0	100.0	23,502	100.0	100.0	71	100.0	100.0	22,899	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Charlotte-Concord-Gastonia, NC													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	31	44.9	45.8	10,213	47.2	29.2	18	42.9	51.6	2,783	35.2	34.6	91.8
Over \$1 Million	24	34.8		9,458	43.7		21	50.0		4,594	58.1		7.2
Revenue Unknown	14	20.3		1,971	9.1		3	7.1		529	6.7		1.0
Total	69	100.0		21,642	100.0		42	100.0		7,906	100.0		100.0
By Loan Size													
\$100,000 or Less	15	21.7	92.1	918	4.2	35.0	18	42.9	94.8	1,008	12.7	42.3	
\$100,001 - \$250,000	26	37.7	4.2	4,296	19.9	17.3	15	35.7	2.7	2,506	31.7	14.2	
\$250,001 - \$1 Million	28	40.6	3.6	16,428	75.9	47.7	9	21.4	2.5	4,392	55.6	43.5	
Total	69	100.0	100.0	21,642	100.0	100.0	42	100.0	100.0	7,906	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	6	19.4		402	3.9		9	50.0		463	16.6		
\$100,001 - \$250,000	11	35.5		1,795	17.6		6	33.3		987	35.5		
\$250,001 - \$1 Million	14	45.2		8,016	78.5		3	16.7		1,333	47.9		
Total	31	100.0		10,213	100.0		18	100.0		2,783	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Greensboro-High Point, NC

2021 Demographic Data:

2021 Greensboro - High Point, NC AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	4.8	1,657	6.6	592	35.7	6,453	25.7
Moderate	6	28.6	5,067	20.2	1,140	22.5	4,999	19.9
Middle	13	61.9	16,680	66.4	1,833	11.0	4,954	19.7
Upper	1	4.8	1,707	6.8	93	5.4	8,705	34.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	21	100.0	25,111	100.0	3,658	14.6	25,111	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	3,019	1,250	4.8	41.4	1,162	38.5	607	20.1
Moderate	9,380	4,823	18.7	51.4	3,199	34.1	1,358	14.5
Middle	27,717	18,086	70.0	65.3	6,009	21.7	3,622	13.1
Upper	3,505	1,682	6.5	48.0	1,372	39.1	451	12.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	43,621	25,841	100.0	59.2	11,742	26.9	6,038	13.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	91	3.0	85	3.0	5	3.2	1	2.6
Moderate	622	20.2	574	19.9	41	26.1	7	18.4
Middle	2,052	66.7	1,930	67.0	94	59.9	28	73.7
Upper	311	10.1	292	10.1	17	10.8	2	5.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,076	100.0	2,881	100.0	157	100.0	38	100.0
Percentage of Total Businesses:				93.7		5.1		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2	1.8	2	1.8	0	0.0	0	0.0
Moderate	14	12.6	14	12.6	0	0.0	0	0.0
Middle	92	82.9	92	82.9	0	0.0	0	0.0
Upper	3	2.7	3	2.7	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	111	100.0	111	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Geographic Distribution Tables:

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Greensboro - High Point, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	4.7	0	0.0	2.9	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	12.5	18.2	72	6.2	13.4	4	66.7	29.0	599	65.0	22.9	27.5
Middle	6	75.0	67.6	973	83.2	74.2	1	16.7	59.6	165	17.9	63.2	62.4
Upper	1	12.5	9.5	125	10.7	9.6	1	16.7	11.4	158	17.1	13.9	10.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	8	100.0	100.0	1,170	100.0	100.0	6	100.0	100.0	922	100.0	100.0	100.0
Refinance Loans													
Low	1	3.3	3.0	80	2.4	2.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	4	13.3	13.3	176	5.4	10.2	6	33.3	25.7	722	35.5	19.3	27.5
Middle	21	70.0	74.1	2,631	80.1	79.0	1	61.1	63.3	1,061	52.2	66.5	62.4
Upper	4	13.3	9.6	398	12.1	8.8	1	5.6	11.0	250	12.3	14.2	10.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	30	100.0	100.0	3,285	100.0	100.0	18	100.0	100.0	2,033	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.2	0	0.0	3.1	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	8.3	16.2	50	3.7	13.2	6	33.3	21.5	286	16.7	15.8	27.5
Middle	11	91.7	77.5	1,291	96.3	82.2	7	38.9	61.0	910	53.1	59.6	62.4
Upper	0	0.0	2.1	0	0.0	1.5	5	27.8	17.4	519	30.3	24.6	10.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	12	100.0	100.0	1,341	100.0	100.0	18	100.0	100.0	1,715	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	25.0	0	0.0	23.6	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	50.0	0	0.0	50.4	0	0.0	21.4	0	0.0	15.1	28.5
Middle	0	0.0	25.0	0	0.0	26.0	1	100.0	78.6	680	100.0	84.9	71.3
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.3
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	1	100.0	100.0	680	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	3	4.7	3.9	210	3.2	2.5	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	10	15.6	15.4	460	6.9	11.9	21	35.0	27.1	1,928	29.7	21.5	27.5
Middle	45	70.3	71.3	5,413	81.6	76.5	30	50.0	61.0	3,405	52.5	64.4	62.4
Upper	6	9.4	9.3	547	8.3	9.1	9	15.0	12.0	1,152	17.8	14.2	10.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	64	100.0	100.0	6,630	100.0	100.0	60	100.0	100.0	6,485	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Greensboro - High Point, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	2.2	0	0.0	1.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	8.3	19.4	61	2.1	24.6	5	45.5	25.8	3,281	77.4	36.9	27.2
Middle	9	75.0	68.6	2,762	93.7	66.7	4	36.4	65.8	925	21.8	56.6	64.9
Upper	2	16.7	9.2	125	4.2	7.5	2	18.2	8.1	35	0.8	6.5	7.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.7	0	0.0	0.1	0	0.0	0.3	0	0.0	0.1	
Total	12	100.0	100.0	2,948	100.0	100.0	11	100.0	100.0	4,241	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Borrower Distribution Tables:

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Greensboro - High Point, NC													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	##	#	##	##	\$(000)	%	##	
Home Purchase Loans													
Low	2	25.0	10.4	210	17.9	5.8	1	16.7	8.6	105	11.4	4.3	25.1
Moderate	0	0.0	26.9	0	0.0	20.0	1	16.7	26.3	138	15.0	20.0	21.6
Middle	1	12.5	23.7	116	9.9	23.9	3	50.0	22.4	521	56.5	21.3	20.8
Upper	4	50.0	26.7	605	51.7	38.5	1	16.7	29.3	158	17.1	41.5	32.5
Unknown	1	12.5	12.4	239	20.4	11.8	0	0.0	13.5	0	0.0	12.8	0.0
Total	8	100.0	100.0	1,170	100.0	100.0	6	100.0	100.0	922	100.0	100.0	100.0
Refinance Loans													
Low	5	16.7	6.9	254	7.7	3.7	1	5.6	11.0	35	1.7	5.9	25.1
Moderate	10	33.3	18.8	895	27.2	14.2	7	38.9	24.2	698	34.3	17.7	21.6
Middle	6	20.0	21.9	716	21.8	19.2	4	22.2	24.0	430	21.2	22.9	20.8
Upper	9	30.0	32.9	1,420	43.2	41.1	6	33.3	31.1	870	42.8	40.8	32.5
Unknown	0	0.0	19.4	0	0.0	21.8	0	0.0	9.7	0	0.0	12.6	0.0
Total	30	100.0	100.0	3,285	100.0	100.0	18	100.0	100.0	2,033	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	9.9	0	0.0	5.8	2	11.1	4.6	50	2.9	2.0	25.1
Moderate	0	0.0	19.7	0	0.0	15.9	2	11.1	17.4	116	6.8	12.9	21.6
Middle	3	25.0	21.1	184	13.7	18.8	5	27.8	23.1	334	19.5	18.8	20.8
Upper	9	75.0	43.7	1,157	86.3	53.9	9	50.0	51.3	1,215	70.8	63.7	32.5
Unknown	0	0.0	5.6	0	0.0	5.6	0	0.0	3.6	0	0.0	2.6	0.0
Total	12	100.0	100.0	1,341	100.0	100.0	18	100.0	100.0	1,715	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	9	14.1	8.7	514	7.8	4.8	8	13.6	8.8	390	6.7	4.7	25.1
Moderate	15	23.4	22.1	1,081	16.3	17.0	15	25.4	24.3	1,277	22.0	19.1	21.6
Middle	14	21.9	22.3	1,234	18.6	21.4	16	27.1	23.1	1,640	28.3	21.7	20.8
Upper	25	39.1	30.9	3,562	53.7	39.9	20	33.9	32.0	2,498	43.0	42.1	32.5
Unknown	1	1.6	15.9	239	3.6	16.7	0	0.0	11.8	0	0.0	12.5	0.0
Total	64	100.0	100.0	6,630	100.0	100.0	59	100.0	100.0	5,805	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Greensboro - High Point, NC													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	4	33.3	56.0	1,101	37.3	40.1	5	45.5	54.6	886	20.9	36.9	93.7
Over \$1 Million	5	41.7		1,476	50.1		5	45.5		3,281	77.4		5.0
Revenue Unknown	3	25.0		371	12.6		1	9.1		74	1.7		1.3
Total	12	100.0		2,948	100.0		11	100.0		4,241	100.0		100.0
By Loan Size													
\$100,000 or Less	4	33.3	93.3	262	8.9	44.3	3	27.3	92.8	109	2.6	34.3	
\$100,001 - \$250,000	4	33.3	4.1	660	22.4	16.8	2	18.2	3.1	351	8.3	11.6	
\$250,001 - \$1 Million	4	33.3	2.6	2,026	68.7	38.8	6	54.5	4.0	3,781	89.2	54.1	
Total	12	100.0	100.0	2,948	100.0	100.0	11	100.0	100.0	4,241	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	1	25.0		25	2.3		2	40.0		35	4.0		
\$100,001 - \$250,000	1	25.0		150	13.6		2	40.0		351	39.6		
\$250,001 - \$1 Million	2	50.0		926	84.1		1	20.0		500	56.4		
Total	4	100.0		1,101	100.0		5	100.0		886	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Winston-Salem, NC

2021 Demographic Data:

2021 Winston-Salem, NC AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	3	8.8	2,372	5.3	837	35.3	9,867	22.0
Moderate	6	17.6	7,173	16.0	1,510	21.1	8,924	19.9
Middle	18	52.9	25,251	56.4	2,200	8.7	8,852	19.8
Upper	7	20.6	9,986	22.3	863	8.6	17,139	38.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	34	100.0	44,782	100.0	5,410	12.1	44,782	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	4,599	1,471	3.2	32.0	2,534	55.1	594	12.9
Moderate	14,044	5,965	12.9	42.5	6,056	43.1	2,023	14.4
Middle	39,618	27,415	59.3	69.2	7,444	18.8	4,759	12.0
Upper	14,634	11,370	24.6	77.7	2,044	14.0	1,220	8.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	72,895	46,221	100.0	63.4	18,078	24.8	8,596	11.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	542	8.8	492	8.7	44	10.6	6	9.8
Moderate	1,272	20.8	1,156	20.5	109	26.3	7	11.5
Middle	3,027	49.4	2,797	49.5	198	47.7	32	52.5
Upper	1,284	21.0	1,204	21.3	64	15.4	16	26.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6,125	100.0	5,649	100.0	415	100.0	61	100.0
Percentage of Total Businesses:				92.2		6.8		1.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	4	2.9	4	3.0	0	0.0	0	0.0
Moderate	2	1.5	2	1.5	0	0.0	0	0.0
Middle	80	58.8	79	59.4	0	0.0	1	50.0
Upper	50	36.8	48	36.1	1	100.0	1	50.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	136	100.0	133	100.0	1	100.0	2	100.0
Percentage of Total Farms:				97.8		0.7		1.5
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Geographic Distribution Tables:

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Winston-Salem, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	#	#%	#%	\$(000)	%	\$%	
Home Purchase Loans													
Low	0	0.0	3.4	0	0.0	2.0	0	0.0	4.5	0	0.0	2.7	2.8
Moderate	0	0.0	17.0	0	0.0	12.4	0	0.0	14.9	0	0.0	12.1	13.4
Middle	2	100.0	54.1	340	100.0	54.5	1	100.0	56.9	175	100.0	56.9	58.6
Upper	0	0.0	25.5	0	0.0	31.1	0	0.0	23.7	0	0.0	28.2	25.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	340	100.0	100.0	1	100.0	100.0	175	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	1.6	0	0.0	1.1	2	33.3	3.2	135	21.5	2.2	2.8
Moderate	1	10.0	9.7	91	5.3	7.3	0	0.0	12.9	0	0.0	9.8	13.4
Middle	5	50.0	55.3	1,143	67.2	53.6	3	50.0	58.0	244	38.8	58.0	58.6
Upper	4	40.0	33.4	468	27.5	38.0	1	16.7	25.9	250	39.7	29.9	25.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	10	100.0	100.0	1,702	100.0	100.0	6	100.0	100.0	629	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	1.8	0	0.0	1.5	0	0.0	2.3	0	0.0	2.4	2.8
Moderate	1	25.0	12.0	30	20.5	9.0	0	0.0	9.7	0	0.0	8.4	13.4
Middle	2	50.0	51.9	70	47.9	51.4	3	75.0	59.2	175	77.8	61.4	58.6
Upper	1	25.0	34.3	46	31.5	38.0	1	25.0	28.8	50	22.2	27.8	25.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	4	100.0	100.0	146	100.0	100.0	4	100.0	100.0	225	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	16.7	0	0.0	6.1	0	0.0	18.6	0	0.0	14.8	7.1
Moderate	0	0.0	52.1	0	0.0	54.7	0	0.0	23.3	0	0.0	18.6	40.0
Middle	0	0.0	22.9	0	0.0	27.4	0	0.0	48.8	0	0.0	56.2	48.6
Upper	0	0.0	8.3	0	0.0	11.8	0	0.0	9.3	0	0.0	10.3	4.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	0	0.0	2.5	0	0.0	1.6	2	12.5	3.8	135	10.0	2.8	2.8
Moderate	2	12.5	12.9	121	5.5	10.4	1	6.3	13.5	20	1.5	11.1	13.4
Middle	9	56.3	54.5	1,553	71.0	53.7	10	62.5	57.7	839	62.2	57.5	58.6
Upper	5	31.3	30.1	514	23.5	34.2	3	18.8	25.0	355	26.3	28.2	25.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	16	100.0	100.0	2,188	100.0	100.0	16	100.0	100.0	1,349	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Winston-Salem, NC													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	7.2	0	0.0	11.0	0	0.0	5.7	0	0.0	10.1	7.5
Moderate	3	75.0	18.5	730	90.7	22.6	0	0.0	17.0	0	0.0	16.8	18.2
Middle	1	25.0	49.8	75	9.3	44.7	1	100.0	53.7	75	100.0	54.9	52.4
Upper	0	0.0	23.8	0	0.0	21.6	0	0.0	23.1	0	0.0	18.1	22.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.6	0	0.0	0.1	0	0.0	0.4	0	0.0	0.1	
Total	4	100.0	100.0	805	100.0	100.0	1	100.0	100.0	75	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Borrower Distribution Tables:

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Winston-Salem, NC													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	1	50.0	7.1	116	34.1	3.7	1	100.0	7.5	175	100.0	3.7	23.4
Moderate	0	0.0	23.4	0	0.0	16.7	0	0.0	22.8	0	0.0	16.6	18.8
Middle	1	50.0	23.6	224	65.9	21.4	0	0.0	25.0	0	0.0	23.6	20.7
Upper	0	0.0	34.0	0	0.0	45.6	0	0.0	32.0	0	0.0	43.5	37.1
Unknown	0	0.0	12.0	0	0.0	12.5	0	0.0	12.7	0	0.0	12.6	0.0
Total	2	100.0	100.0	340	100.0	100.0	1	100.0	100.0	175	100.0	100.0	100.0
Refinance Loans													
Low	1	10.0	5.5	118	6.9	3.1	0	0.0	10.6	0	0.0	6.1	23.4
Moderate	1	10.0	16.3	91	5.3	11.9	3	50.0	22.0	235	37.4	18.0	18.8
Middle	5	50.0	21.4	448	26.3	18.4	0	0.0	26.1	0	0.0	25.0	20.7
Upper	3	30.0	39.0	1,045	61.4	47.3	3	50.0	31.9	394	62.6	40.2	37.1
Unknown	0	0.0	17.8	0	0.0	19.3	0	0.0	9.3	0	0.0	10.6	0.0
Total	10	100.0	100.0	1,702	100.0	100.0	6	100.0	100.0	629	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.9	0	0.0	3.6	0	0.0	6.3	0	0.0	3.8	23.4
Moderate	2	50.0	16.4	55	37.7	10.9	2	50.0	16.7	150	66.7	12.5	18.8
Middle	2	50.0	23.0	91	62.3	20.2	2	50.0	28.1	75	33.3	25.0	20.7
Upper	0	0.0	52.9	0	0.0	63.2	0	0.0	45.7	0	0.0	55.8	37.1
Unknown	0	0.0	2.8	0	0.0	2.8	0	0.0	3.2	0	0.0	2.9	0.0
Total	4	100.0	100.0	146	100.0	100.0	4	100.0	100.0	225	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	12.5	6.1	234	10.7	3.4	2	12.5	8.3	230	17.0	4.4	23.4
Moderate	3	18.8	18.9	146	6.7	14.0	7	43.8	21.4	445	33.0	16.6	18.8
Middle	8	50.0	22.3	763	34.9	19.6	3	18.8	25.4	145	10.7	23.8	20.7
Upper	3	18.8	38.0	1,045	47.8	47.0	4	25.0	34.2	529	39.2	43.4	37.1
Unknown	0	0.0	14.8	0	0.0	15.6	0	0.0	10.7	0	0.0	11.9	0.0
Total	16	100.0	100.0	2,188	100.0	100.0	16	100.0	100.0	1,349	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Winston-Salem, NC													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	#	#%	#%	\$(000)	%	\$%	
By Revenue													
\$1 Million or Less	1	25.0	53.9	329	40.9	38.4	0	0.0	56.8	0	0.0	41.8	92.4
Over \$1 Million	0	0.0		0	0.0		0	0.0		0	0.0		6.6
Revenue Unknown	3	75.0		476	59.1		1	100.0		75	100.0		1.1
Total	4	100.0		805	100.0		1	100.0		75	100.0		100.0
By Loan Size													
\$100,000 or Less	2	50.0	90.9	82	10.2	36.3	1	100.0	92.9	75	100.0	37.7	
\$100,001 - \$250,000	0	0.0	5.4	0	0.0	20.8	0	0.0	4.1	0	0.0	18.6	
\$250,001 - \$1 Million	2	50.0	3.7	723	89.8	42.9	0	0.0	3.0	0	0.0	43.7	
Total	4	100.0	100.0	805	100.0	100.0	1	100.0	100.0	75	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	0	0.0		0	0.0		0	0.0		0	0.0		
\$100,001 - \$250,000	0	0.0		0	0.0		0	0.0					
\$250,001 - \$1 Million	1	100.0		329	100.0		0	0.0					
Total	1	100.0		329	100.0		0	0.0					
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Danville, VA NonMSA

2021 Demographic Data:

2021 Danville, VA NonMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	2.0	847	1.8	371	43.8	11,453	24.4
Moderate	15	29.4	11,972	25.5	2,609	21.8	8,762	18.6
Middle	30	58.8	29,955	63.7	3,397	11.3	10,320	22.0
Upper	4	7.8	4,224	9.0	511	12.1	16,463	35.0
Unknown	1	2.0	0	0.0	0	0.0	0	0.0
Total AA	51	100.0	46,998	100.0	6,888	14.7	46,998	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,858	566	1.1	30.5	891	48.0	401	21.6
Moderate	23,951	11,608	23.2	48.5	8,026	33.5	4,317	18.0
Middle	53,934	33,055	66.2	61.3	12,450	23.1	8,429	15.6
Upper	7,319	4,712	9.4	64.4	1,727	23.6	880	12.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	87,062	49,941	100.0	57.4	23,094	26.5	14,027	16.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	55	0.9	51	0.9	3	0.7	1	1.5
Moderate	1,386	23.5	1,257	23.4	117	26.1	12	18.2
Middle	3,673	62.4	3,360	62.5	269	59.9	44	66.7
Upper	764	13.0	701	13.0	54	12.0	9	13.6
Unknown	11	0.2	5	0.1	6	1.3	0	0.0
Total AA	5,889	100.0	5,374	100.0	449	100.0	66	100.0
Percentage of Total Businesses:				91.3		7.6		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	11	5.2	11	5.4	0	0.0	0	0.0
Middle	194	91.9	186	91.6	6	100.0	2	100.0
Upper	6	2.8	6	3.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	211	100.0	203	100.0	6	100.0	2	100.0
Percentage of Total Farms:				96.2		2.8		0.9
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Geographic Distribution Tables:

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: Danville, VA NonMSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	1.0	0	0.0	0.6	1.1
Moderate	1	20.0	21.4	70	11.9	15.1	23.2
Middle	2	40.0	62.8	337	57.5	67.0	66.2
Upper	2	40.0	14.8	179	30.5	17.4	9.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	5	100.0	100.0	586	100.0	100.0	100.0
Refinance Loans							
Low	1	11.1	0.2	33	4.2	0.1	1.1
Moderate	2	22.2	15.0	224	28.2	11.5	23.2
Middle	5	55.6	69.0	463	58.4	71.1	66.2
Upper	1	11.1	15.8	73	9.2	17.3	9.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	9	100.0	100.0	793	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	1.1
Moderate	1	20.0	21.1	83	26.9	16.8	23.2
Middle	3	60.0	68.8	155	50.3	70.6	66.2
Upper	1	20.0	10.2	70	22.7	12.6	9.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	5	100.0	100.0	308	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	2.6	0	0.0	0.4	5.0
Moderate	0	0.0	59.0	0	0.0	78.5	33.6
Middle	0	0.0	35.9	0	0.0	20.1	51.4
Upper	0	0.0	2.6	0	0.0	1.1	10.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	1	4.5	0.6	33	1.8	0.3	1.1
Moderate	5	22.7	18.8	392	21.8	16.8	23.2
Middle	12	54.5	65.5	1,054	58.5	66.4	66.2
Upper	4	18.2	15.1	322	17.9	16.5	9.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	22	100.0	100.0	1,801	100.0	100.0	100.0
Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Danville, VA NonMSA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	1	16.7	1.2	179	6.4	0.6	0.9
Moderate	0	0.0	23.1	0	0.0	27.4	23.5
Middle	3	50.0	62.2	1,666	59.6	60.0	62.4
Upper	2	33.3	12.9	952	34.0	10.9	13.0
Unknown	0	0.0	0.2	0	0.0	1.0	0.2
Tract-Unk	0	0.0	0.5	0	0.0	0.1	
Total	6	100.0	100.0	2,797	100.0	100.0	100.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Borrower Distribution Tables:

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Danville, VA NonMSA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	1	20.0	8.6	77	13.1	4.9	24.4
Moderate	1	20.0	22.1	70	11.9	17.6	18.6
Middle	1	20.0	21.5	180	30.7	21.1	22.0
Upper	1	20.0	24.3	157	26.8	34.2	35.0
Unknown	1	20.0	23.5	102	17.4	22.3	0.0
Total	5	100.0	100.0	586	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	5.7	0	0.0	3.1	24.4
Moderate	4	44.4	15.1	283	35.7	10.8	18.6
Middle	1	11.1	20.7	73	9.2	17.2	22.0
Upper	4	44.4	36.1	437	55.1	44.6	35.0
Unknown	0	0.0	22.4	0	0.0	24.4	0.0
Total	9	100.0	100.0	793	100.0	100.0	100.0
Home Improvement Loans							
Low	1	20.0	7.0	83	26.9	6.8	24.4
Moderate	1	20.0	19.5	30	9.7	14.1	18.6
Middle	1	20.0	20.3	95	30.8	22.6	22.0
Upper	2	40.0	49.2	100	32.5	53.9	35.0
Unknown	0	0.0	3.9	0	0.0	2.6	0.0
Total	5	100.0	100.0	308	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	2	9.1	7.1	160	8.9	4.0	24.4
Moderate	7	31.8	18.4	398	22.1	14.2	18.6
Middle	4	18.2	20.7	395	21.9	19.1	22.0
Upper	7	31.8	30.9	694	38.5	39.4	35.0
Unknown	2	9.1	22.9	154	8.6	23.3	0.0
Total	22	100.0	100.0	1,801	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Danville, VA NonMSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	4	66.7	47.8	1,239	44.3	34.9	91.3
Over \$1 Million	2	33.3		1,558	55.7		7.6
Revenue Unknown	0	0.0		0	0.0		1.1
Total	6	100.0		2,797	100.0		100.0
By Loan Size							
\$100,000 or Less	0	0.0	89.7	0	0.0	32.7	
\$100,001 - \$250,000	3	50.0	6.5	471	16.8	24.1	
\$250,001 - \$1 Million	3	50.0	3.8	2,326	83.2	43.2	
Total	6	100.0	100.0	2,797	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	0	0.0		0	0.0		
\$100,001 - \$250,000	3	75.0		471	38.0		
\$250,001 - \$1 Million	1	25.0		768	62.0		
Total	4	100.0		1,239	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Asheville, NC

2021 Demographic Data:

2021 Asheville, NCA A Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	2.0	1,477	1.4	539	36.5	21,566	20.1
Moderate	14	14.1	13,007	12.1	2,726	21.0	19,698	18.3
Middle	59	59.6	68,988	64.2	7,329	10.6	22,027	20.5
Upper	22	22.2	23,937	22.3	1,291	5.4	44,118	41.1
Unknown	2	2.0	0	0.0	0	0.0	0	0.0
Total AA	99	100.0	107,409	100.0	11,885	11.1	107,409	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	4,114	1,611	1.4	39.2	1,807	43.9	696	16.9
Moderate	26,457	12,813	10.9	48.4	10,217	38.6	3,427	13.0
Middle	130,328	75,087	64.1	57.6	33,725	25.9	21,516	16.5
Upper	44,812	27,599	23.6	61.6	11,191	25.0	6,022	13.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	205,711	117,110	100.0	56.9	56,940	27.7	31,661	15.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	841	3.4	733	3.2	103	7.5	5	2.6
Moderate	3,711	15.0	3,398	14.7	280	20.5	33	17.3
Middle	13,292	53.7	12,578	54.3	626	45.8	88	46.1
Upper	6,886	27.8	6,464	27.9	357	26.1	65	34.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	24,730	100.0	23,173	100.0	1,366	100.0	191	100.0
Percentage of Total Businesses:					93.7		5.5	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	3	0.6	3	0.6	0	0.0	0	0.0
Moderate	76	15.3	75	15.4	1	10.0	0	0.0
Middle	325	65.3	316	64.8	9	90.0	0	0.0
Upper	94	18.9	94	19.3	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	498	100.0	488	100.0	10	100.0	0	0.0
Percentage of Total Farms:					98.0		2.0	
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Polk County, NC NonMSA

2021 Demographic Data:

2021 Polk County, NC NonMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	9,929	20.2
Moderate	4	9.5	4,666	9.5	1,176	25.2	8,715	17.8
Middle	32	76.2	39,765	81.1	5,541	13.9	10,655	21.7
Upper	6	14.3	4,631	9.4	445	9.6	19,763	40.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	42	100.0	49,062	100.0	7,162	14.6	49,062	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	8,366	3,718	7.3	44.4	3,047	36.4	1,601	19.1
Middle	69,142	41,745	82.0	60.4	16,900	24.4	10,497	15.2
Upper	11,093	5,465	10.7	49.3	1,705	15.4	3,923	35.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	88,601	50,928	100.0	57.5	21,652	24.4	16,021	18.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	686	11.0	599	10.5	84	19.1	3	3.5
Middle	4,722	76.0	4,331	76.1	327	74.3	64	75.3
Upper	808	13.0	761	13.4	29	6.6	18	21.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6,216	100.0	5,691	100.0	440	100.0	85	100.0
Percentage of Total Businesses:				91.6		7.1		1.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	4	1.6	4	1.6	0	0.0	0	0.0
Middle	215	87.4	214	87.3	1	100.0	0	0.0
Upper	27	11.0	27	11.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	246	100.0	245	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.6		0.4		0.0
Source: 2021 FFIEC Census Data 2021 Data & Breakdown Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Roanoke, VA MSA

2021 Demographic Data:

2021 Roanoke, VA MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	3	4.6	2,340	2.8	801	34.2	16,624	19.9
Moderate	13	20.0	16,896	20.2	3,271	19.4	14,605	17.5
Middle	32	49.2	38,550	46.1	3,099	8.0	18,748	22.4
Upper	17	26.2	25,794	30.9	1,167	4.5	33,603	40.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	65	100.0	83,580	100.0	8,338	10.0	83,580	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	4,574	1,243	1.4	27.2	2,597	56.8	734	16.0
Moderate	31,536	16,341	18.4	51.8	11,327	35.9	3,868	12.3
Middle	68,529	42,246	47.5	61.6	18,149	26.5	8,134	11.9
Upper	41,010	29,063	32.7	70.9	7,798	19.0	4,149	10.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	145,649	88,893	100.0	61.0	39,871	27.4	16,885	11.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	401	2.8	344	2.6	55	5.3	2	1.7
Moderate	2,291	16.1	2,135	16.4	143	13.7	13	11.0
Middle	7,126	50.2	6,482	49.7	580	55.6	64	54.2
Upper	4,375	30.8	4,071	31.2	265	25.4	39	33.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	14,193	100.0	13,032	100.0	1,043	100.0	118	100.0
Percentage of Total Businesses:				91.8		7.3		0.8
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	2	0.7	2	0.7	0	0.0	0	0.0
Moderate	70	23.0	68	23.1	2	25.0	0	0.0
Middle	143	47.0	138	46.8	5	62.5	0	0.0
Upper	89	29.3	87	29.5	1	12.5	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	304	100.0	295	100.0	8	100.0	1	100.0
Percentage of Total Farms:				97.0		2.6		0.3
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Knoxville-Morristown-Sevierville, TN

2021 Demographic Data:

2021 Knoxville-Morristown-Sevierville, TN AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	10	7.5	7,252	5.1	3,480	48.0	29,093	20.6
Moderate	24	18.0	21,289	15.0	4,714	22.1	22,636	16.0
Middle	54	40.6	63,462	44.8	6,237	9.8	27,090	19.1
Upper	43	32.3	49,530	35.0	2,368	4.8	62,728	44.3
Unknown	2	1.5	14	0.0	14	100.0	0	0.0
Total AA	133	100.0	141,547	100.0	16,813	11.9	141,547	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	15,521	4,003	2.7	25.8	9,728	62.7	1,790	11.5
Moderate	46,545	18,480	12.6	39.7	22,644	48.6	5,421	11.6
Middle	109,198	68,054	46.6	62.3	30,317	27.8	10,827	9.9
Upper	77,295	55,617	38.1	72.0	15,937	20.6	5,741	7.4
Unknown	161	4	0.0	2.5	94	58.4	63	39.1
Total AA	248,720	146,158	100.0	58.8	78,720	31.7	23,842	9.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,293	5.5	1,116	5.3	171	8.0	6	4.1
Moderate	3,644	15.5	3,227	15.2	402	18.9	15	10.1
Middle	8,115	34.6	7,444	35.2	627	29.4	44	29.7
Upper	10,331	44.1	9,325	44.1	924	43.4	82	55.4
Unknown	63	0.3	55	0.3	7	0.3	1	0.7
Total AA	23,446	100.0	21,167	100.0	2,131	100.0	148	100.0
Percentage of Total Businesses:			90.3		9.1		0.6	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	4	1.8	4	1.9	0	0.0	0	0.0
Moderate	25	11.4	25	11.7	0	0.0	0	0.0
Middle	96	43.6	94	43.9	1	33.3	1	33.3
Upper	94	42.7	90	42.1	2	66.7	2	66.7
Unknown	1	0.5	1	0.5	0	0.0	0	0.0
Total AA	220	100.0	214	100.0	3	100.0	3	100.0
Percentage of Total Farms:			97.3		1.4		1.4	
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Johnson City-Kingsport-Bristol, TN-VA

2021 Demographic Data:

2021 Johnson City-Kingsport-Bristol, TN-VA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	16,417	20.0
Moderate	16	24.2	16,064	19.6	4,354	27.1	14,017	17.1
Middle	32	48.5	41,825	51.0	4,757	11.4	16,787	20.5
Upper	17	25.8	24,180	29.5	1,661	6.9	34,848	42.5
Unknown	1	1.5	0	0.0	0	0.0	0	0.0
Total AA	66	100.0	82,069	100.0	10,772	13.1	82,069	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	32,541	14,864	16.9	45.7	13,583	41.7	4,094	12.6
Middle	70,216	45,686	51.9	65.1	17,417	24.8	7,113	10.1
Upper	38,531	27,396	31.2	71.1	7,831	20.3	3,304	8.6
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	141,288	87,946	100.0	62.2	38,831	27.5	14,511	10.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2,967	25.6	2,661	25.2	276	30.1	30	33.0
Middle	5,123	44.2	4,721	44.6	357	38.9	45	49.5
Upper	3,464	29.9	3,169	30.0	279	30.4	16	17.6
Unknown	31	0.3	25	0.2	6	0.7	0	0.0
Total AA	11,585	100.0	10,576	100.0	918	100.0	91	100.0
Percentage of Total Businesses:				91.3		7.9		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	27	13.6	26	13.8	0	0.0	1	11.1
Middle	121	60.8	116	61.7	1	50.0	4	44.4
Upper	51	25.6	46	24.5	1	50.0	4	44.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	199	100.0	188	100.0	2	100.0	9	100.0
Percentage of Total Farms:				94.5		1.0		4.5
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Greenville-Anderson, SC

2021 Demographic Data:

2021 Greenville-Anderson, SC AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	11	9.9	7,297	6.0	2,954	40.5	25,509	21.1
Moderate	25	22.5	19,364	16.1	4,642	24.0	18,367	15.2
Middle	38	34.2	43,525	36.1	4,331	10.0	21,857	18.1
Upper	37	33.3	50,434	41.8	2,316	4.6	54,887	45.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	111	100.0	120,620	100.0	14,243	11.8	120,620	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	13,876	4,583	3.9	33.0	7,251	52.3	2,042	14.7
Moderate	36,584	16,431	13.9	44.9	15,705	42.9	4,448	12.2
Middle	71,749	43,191	36.4	60.2	21,317	29.7	7,241	10.1
Upper	77,160	54,416	45.9	70.5	16,968	22.0	5,776	7.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	199,369	118,621	100.0	59.5	61,241	30.7	19,507	9.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,688	7.0	1,478	6.7	196	10.2	14	6.1
Moderate	3,582	14.8	3,200	14.5	361	18.7	21	9.2
Middle	7,797	32.2	7,184	32.5	558	28.9	55	24.1
Upper	11,169	46.1	10,216	46.3	815	42.2	138	60.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	24,236	100.0	22,078	100.0	1,930	100.0	228	100.0
Percentage of Total Businesses:			91.1		8.0		0.9	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	4	2.1	4	2.1	0	0.0	0	0.0
Moderate	13	6.8	12	6.4	1	33.3	0	0.0
Middle	98	51.3	97	51.6	1	33.3	0	0.0
Upper	76	39.8	75	39.9	1	33.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	191	100.0	188	100.0	3	100.0	0	0.0
Percentage of Total Farms:			98.4		1.6		0.0	
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

CRA APPENDIX D

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices, along with loan and deposit volume, in each assessment area evaluated during the review period. Branch information is current as of the evaluation date, and loan volume includes all reported residential mortgage (HMDA), small business and small farm (CRA) loans considered in the evaluation. Deposit volume includes all bank deposits and is current as of June 30, 2023.

Assessment Area	HMDA/CRA Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
State of North Carolina Assessment Areas								
Asheville, NC	2,074	47.4%	\$572,167	49.5%	7	19.4%	\$1,253,206	34.8%
Polk County, NC NonMSA	548	12.5%	\$115,983	10%	3	8.3%	\$342,320	9.5%
Raleigh-Cary, NC	243	5.5%	\$105,206	9.1%	3	8.3%	\$103,238	2.9%
Charlotte-Concord-Gastonia, NC	259	5.9%	\$75,949	6.6%	3	8.3%	\$129,483	3.6%
Greensboro-High Point, NC	150	3.4%	\$20,761	1.8%	2	5.6%	\$238,684	6.6%
Winston-Salem, NC	37	0.8%	\$4,417	0.4%	1	2.8%	\$72,552	2%
North Carolina Subtotal	3,311	75.5%	894,483	77.4%	19	52.7%	\$2,139,483	59.4%
Commonwealth of Virginia Assessment Areas								
Roanoke, VA MSA	244	5.6%	\$55,998	4.8%	6	16.7%	\$289,823	8%
Danville, VA NonMSA *	30	0.7%	\$4,900	0.4%	0	0%	N/A	-
Virginia Subtotal	274	6.3%	\$60,898	5.2%	6	16.7%	\$289,823	8%
State of Tennessee Assessment Area								
Knoxville-Morristown-Sevierville, TN	199	4.5%	\$57,892	5%	4	11.1%	\$377,879	10.5%
Tennessee Subtotal	199	4.5%	\$57,892	5%	4	11.1%	\$377,879	10.5%
Multistate Combined Statistical Area								
Johnson City-Kingsport-Bristol, TN-VA	254	5.8%	\$51,971	4.5%	3	8.3%	\$252,967	7%
Multistate CSA Subtotal	254	5.8%	\$51,971	4.5%	3	8.3%	\$252,967	7%
State of South Carolina Assessment Area								
Greenville-Anderson, SC	341	7.8%	\$91,526	7.9%	2	5.6%	\$56,845	1.6%
South Carolina Subtotal	341	7.8%	\$91,526	7.9%	2	5.6%	\$56,845	1.6%
State of Georgia Assessment Area								
Atlanta-Sandy Springs-Alpharetta, GA **	N/A	-	N/A	-	2	5.6%	\$485,159	13.5%
Georgia Subtotal	N/A	-	N/A	-	2	5.6%	\$485,159	13.5%
Total	4,379	100%	\$1,156,770	100%	36	100%	\$3,602,156	100%

* HTB closed all branch offices in the Danville, VA NonMSA assessment area on September 30, 2021, and no longer holds deposits within the area.

** HTB purchased Quantum National Bank and acquired two branches in this market on February 13, 2023; consequently, HMDA and CRA data from 2021 and 2022 were not available and/or considered in this evaluation.

CRA APPENDIX E

BRANCH OPENINGS AND CLOSURES

Branch Openings and Closures						
Assessment Area	Date	Address	City/County	State	Type	Tract Income Level (2024)
Asheville, NC	9/30/2021	1011 Tunnel Road Suite 180	Asheville	NC	Closure	Middle
Polk, NC NonMSA	9/30/2021	351 Butler Road	Rutherford	NC	Closure	Middle
Raleigh-Cary, NC	10/4/2021	4700 Six Forks Road Suite 100	Wake	NC	Opening	Upper
Charlotte-Concord-Gastonia, NC	10/15/2021	100 Queens Road	Mecklenburg	NC	Closure	Upper
	10/18/2021	6310 Fairview Road	Mecklenburg	NC	Opening	Upper
	4/11/2022	17065 Nay Bynum Lane	Mecklenburg	NC	Opening	Upper
Winston-Salem, NC	9/30/2021	11564 Old US Highway 52	Davidson	NC	Closure	Upper
Danville, VA NonMSA	9/30/2021	2420 North Main Street	Danville City	VA	Closure	Low
	9/30/2021	3205 Riverside Drive	Danville City	VA	Closure	Upper
	9/30/2021	8 Lester Street	Martinsville City	VA	Closure	Middle
Knoxville-Morristown-Sevierville, TN	9/30/2021	156 East Broadway Boulevard	Jefferson	TN	Closure	Middle
Johnson City-Kingsport-Bristol, TN-VA Multistate Area	9/30/2021	425 State Street	Bristol City	VA	Closure	Low
	9/30/2021	612 West Walnut Street	Washington	TN	Closure	Moderate
Atlanta-Sandy Springs-Alpharetta, GA	2/13/2023	2875 Bethany Bend	Fulton	GA	Opening	Upper
	2/13/2023	505 Peachtree Industrial Boulevard	Gwinnett	GA	Opening	Upper

CRA APPENDIX F
ASSESSMENT AREA COMPOSITION

North Carolina Metropolitan Assessment Areas					
Asheville, NC MSA					
Asheville, NC					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Buncombe County, NC	All	Buncombe County, NC	All	Buncombe County, NC	All
Haywood County, NC	All	Haywood County, NC	All	Haywood County, NC	All
Henderson County, NC	All	Henderson County, NC	All	Henderson County, NC	All
Raleigh-Cary, NC MSA					
Raleigh-Cary, NC					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Wake County, NC	All	Wake County, NC	All	Wake County, NC	All
Charlotte-Concord-Gastonia, NC-SC MSA					
Charlotte-Concord-Gastonia, NC					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Gaston County, NC	All	Gaston County, NC	All	Gaston County, NC	All
Mecklenburg County, NC	All	Mecklenburg County, NC	All	Mecklenburg County, NC	All
Greensboro-High Point, NC MSA					
Greensboro-High Point, NC					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Rockingham County, NC	All	Rockingham County, NC	All	Rockingham County, NC	All
Winston-Salem, NC MSA					
Winston-Salem, NC					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Davidson County, NC	All	Davidson County, NC	All	Davidson County, NC	All

North Carolina Nonmetropolitan Assessment Areas					
Polk County, NC NonMSA					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Cleveland County, NC	All	Cleveland County, NC	All	Cleveland County, NC	All
Polk County, NC	All	Polk County, NC	All	Polk County, NC	All
Rutherford County, NC	All	Rutherford County, NC	All	Rutherford County, NC	All

Virginia Metropolitan Assessment Areas					
Roanoke, VA MSA					
Roanoke, VA MSA					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Botetourt County, VA	All	Botetourt County, VA	All	Botetourt County, VA	All
Craig County, VA	All	Craig County, VA	All	Craig County, VA	All
Franklin County, VA	All	Franklin County, VA	All	Franklin County, VA	All
Roanoke City, VA	All	Roanoke City, VA	All	Roanoke City, VA	All
Roanoke County, VA	All	Roanoke County, VA	All	Roanoke County, VA	All
Salem City, VA	All	Salem City, VA	All	Salem City, VA	All

Virginia Nonmetropolitan Assessment Areas					
Danville, VA NonMSA					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Danville City, VA	All	-	-	-	-
Henry County, VA	All	-	-	-	-
Martinsville City, VA	All	-	-	-	-
Pittsylvania County, VA	All	-	-	-	-

* HTB closed all branch offices in the Danville, VA NonMSA assessment area on September 30, 2021, and discontinued delineating the assessment area beginning in 2022.

Tennessee Metropolitan Assessment Areas					
Knoxville-Morristown-Sevierville, TN CSA					
Knoxville-Morristown-Sevierville, TN					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Knox County, TN	All	Knox County, TN	All	Knox County, TN	All
Hamblen County, TN	All	Hamblen County, TN	All	Hamblen County, TN	All
Jefferson County, TN	All	Jefferson County, TN	All	Jefferson County, TN	All

Multistate Metropolitan Areas					
Johnson City-Kingsport-Bristol, TN-VA CSA					
Johnson City-Kingsport-Bristol, TN-VA					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Washington County, TN	All	Washington County, TN	All	Washington County, TN	All
Bristol City, VA	All	-	-	-	-
Sullivan County, TN	All	Sullivan County, TN	All	Sullivan County, TN	All

* HTB closed its branch office in the City of Bristol, VA on September 30, 2021, and discontinued delineating Bristol City, VA in the multistate area beginning in 2022.

South Carolina Metropolitan Assessment Areas					
Greenville-Anderson-Mauldin, SC MSA					
Greenville-Anderson, SC					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
Greenville County, SC	All	Greenville County, SC	All	Greenville County, SC	All

Georgia Metropolitan Assessment Areas					
Atlanta-Sandy Springs-Alpharetta, GA MSA					
Atlanta-Sandy Springs-Alpharetta, GA					
2021		2022		2023	
County/City	Tracts	County/City	Tracts	County/City	Tracts
N/A	-	N/A	-	Dekalb County, GA	All
N/A	-	N/A	-	Forsyth County, GA	All
N/A	-	N/A	-	Fulton County, VA	All
N/A	-	N/A	-	Gwinnett County, GA	All

* HTB purchased Quantum National Bank and acquired two branches in this market on February 13, 2023.

CRA APPENDIX G

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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