



PUBLIC DISCLOSURE

November 18, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Chesapeake Bank

Kilmarnock, Virginia

**Federal Reserve Bank of Richmond
Richmond, Virginia**

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Federal financial supervisory agency concerning the safety and soundness of this financial institution.

PUBLIC DISCLOSURE

November 18, 2024

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Chesapeake Bank

214722

97 North Main Street

Kilmarnock, VA 22482

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

NOTE: 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.

TABLE OF CONTENTS

	Page
Institution Rating	
Institution's CRA Rating	1
Summary of Major Factors Supporting Rating.....	1
Institution	
Scope of Examination	1
Description of Institution	2
Conclusions With Respect to Performance Tests	2
Metropolitan Area (reviewed using full-scope review)	
Description of Institution's Operations in Virginia Beach-Norfolk-Newport News, VA Assessment Area	6
Conclusions with Respect to Performance Tests	9
Metropolitan Areas (reviewed using limited-scope review)	
Description of Institution's Operations in Richmond, VA Assessment Area	18
Conclusions with Respect to Performance Tests	18
Nonmetropolitan Statewide Area (reviewed using full-scope review)	
Description of Institution's Operations in Lancaster, VA NonMSA Assessment Area	19
Conclusions with Respect to Performance Tests	21
Appendices	
CRA Appendix A: Limited Review Tables	28
CRA Appendix B: Loan, Branch, and Deposit Volume by Assessment Area	34
CRA Appendix C: Assessment Area Delineations and Branching Activity	35
CRA Appendix D: Glossary	36

INSTITUTION RATING

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable given its size, financial condition, and credit needs of its assessment areas.
- A majority of the bank's Home Mortgage Disclosure Act (HMDA) and small business loans originated during the review period were located within its combined assessment areas.
- Borrower distribution performance reflects a reasonable penetration among individuals of different incomes (including low- and moderate-income) and businesses of different sizes.
- The bank's geographic distribution performance (lending in low- and moderate-income census tracts) is considered reasonable overall.
- The bank demonstrates an adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and services.
- The institution has not received any complaints regarding its CRA performance since the previous evaluation.

SCOPE OF EXAMINATION

Chesapeake Bank (CB) was evaluated using the interagency examination procedures for intermediate-small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with the procedures and based upon recent loans originated by the institution, HMDA and small business loans were identified as primary credit products for the bank. The analysis was based on all reported HMDA loans from 2022 and 2023, as well as small business loans originated during 2022. Given its size and branch locations, CB is required to collect and report HMDA data, but is not required to collect or report CRA small business data.

Qualified community development loans and services are considered for activities since the previous evaluation (June 13, 2022). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered. To help determine the availability of community development opportunities in the assessment areas, the CRA public evaluations of other financial institutions within the assessment areas were reviewed. Additionally, members of the community were contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment areas, and potential community development opportunities.

CB serves three assessment areas in the Commonwealth of Virginia. The bank's operations are primarily concentrated in the Virginia Beach-Norfolk-Newport News, VA and Lancaster, VA NonMSA assessment areas. Given the distribution of CB's loans, deposits, and branch offices as outlined in *Appendix B*, both of these assessment areas were evaluated using the FFIEC's full-scope review procedures. The Richmond, VA assessment area was evaluated utilizing the FFIEC's limited scope procedures and a determination was made as to whether performance was consistent with the assigned overall ratings.

DESCRIPTION OF INSTITUTION

CB is headquartered in Kilmarnock, Virginia, and operates 17 full-service branch offices and 15 automated teller machines within central and eastern Virginia. The institution is a wholly owned subsidiary of Chesapeake Financial Shares, Inc., a single bank holding company also headquartered in Kilmarnock, Virginia. CB's previous CRA rating, dated June 13, 2022, was Satisfactory. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As of September 30, 2024, CB held assets totaling \$1.6 billion, of which 56.8% were net loans and 32.7% were securities. As of the same date, deposits totaled \$1.4 billion. Various deposit and loan products are available through the institution including loans for business, residential mortgage, and consumer purpose. The composition of the loan portfolio (reflecting gross loans) is represented in the following table.

Composition of Loan Portfolio

Loan Type	9/30/2024	
	\$(000s)	%
Secured by 1-4 Family dwellings	239,261	26.3
Multifamily	47,597	5.2
Construction and Development	84,540	9.3
Commercial & Industrial/ NonFarm NonResidential	518,189	56.9
Consumer Loans and Credit Cards	12,990	1.4
Agricultural Loans/ Farmland	502	0.1
All Other	7,498	0.8
Total	910,577	100.0

As indicated in the preceding table, the bank is an active commercial/small business and residential mortgage lender. Small business loans (i.e. business purpose loans of \$1 million or less) are a subset of commercial and industrial loans. The bank also offers other products, such as consumer and construction and development loans; however, the volume of such lending is relatively small in comparison to its commercial and residential mortgage lending.

As previously mentioned, CB serves three assessment areas in the Commonwealth of Virginia. One assessment area includes a portion of the Virginia Beach-Norfolk-Newport News, VA MSA, another includes a portion of the Richmond VA MSA, while the third area includes counties located in nonmetropolitan areas of Virginia. During 2022, the bank's delineation of the Virginia Beach-Norfolk-Newport News, VA assessment area primarily consisted of whole cities and counties, with the exception of York County, where only a portion of the county was included (southern portion excluded). In 2023, PB decided to expand the assessment area to include the entire county of York.

The bank also opened a new branch office on June 12, 2023, in the Richmond, VA MSA and a loan production office (LPO) in Virginia Beach-Norfolk-Newport News, VA on August 7, 2023. The LPO and new branch did not impact the bank's existing assessment area delineations and *Appendix C* includes information about the composition of the bank's assessment areas and its branching activity since the previous evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Overall, the bank is rated "Satisfactory" with both the Lending Test and the Community Development Test rated "Satisfactory". The Lending Test rating considers the bank's loan-to-deposit ratio, the proportion of lending within its combined assessment areas, borrower distribution performance, and geographic distribution performance. The Community Development Test rating considers the level of community development lending, investments, and services. The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

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

Aggregate loan data is also used as a proxy for demand when evaluating the bank's HMDA and small business lending performance. The aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA data, respectively, within the bank's assessment areas. Because the bank does not report CRA loan data, its small business loans are not included in the aggregate CRA data.

The borrower and geographic distribution performance of HMDA loans focused on performance for Home Purchase, Refinance, Home Improvement, and Multifamily loan categories. Performance for the Not Applicable, Other Closed, and Other Line of Credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category.

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

When determining overall conclusions for the institution, the bank's level of performance in each full-scope assessment area is generally weighted by the dollar volume of lending in the assessment areas. In addition to the weighting by dollar volume, the relative strength of performance within each assessment area is also a factor in determining overall conclusions. When assigning the institution's overall rating, the bank's performance in the Virginia Beach-Norfolk-Newport News, VA assessment area is given greater weight, as a majority of the bank's loans and deposits are located within this assessment area.

Loan-To-Deposit Ratio

The bank's current loan-to-deposit ratio equals 63.7% and averaged 65.5% for the 10-quarter period ending June 30, 2024. In comparison, the quarterly average loan-to-deposit ratios for two similarly situated institutions that operate in at least one of CB's assessment areas ranged from 58.6% to 88.8% during the same 10-quarter period. Since June 30, 2022, CB's assets, net loans, and deposits have increased by 18.5%, 24.4%, and 18.4% respectively. The bank's loan-to-deposit ratio is considered reasonable given the institution's size, financial condition, and local credit needs.

Lending in Assessment Area

To determine the institution's volume of lending within its assessment areas, the geographic location of the bank's 2022 and 2023 HMDA and 2022 small business loans 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	210	79.5	60,948	79.0	54	20.5	16,224	21.0
Home Improvement	24	100.0	3,006	100.0	0	0.0	0	0.0
Refinancing	154	85.1	33,043	79.6	27	14.9	8,479	20.4
Multi-Family Housing	1	50.0	1,500	74.1	1	50.0	525	25.9
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	4	100.0	789	100.0	0	0.0	0	0.0
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
Total HMDA related	393	82.7	99,286	79.7	82	17.3	25,228	20.3
Small Business	144	62.1	31,362	58.5	88	37.9	22,277	41.5
TOTAL LOANS	537	76.0	130,648	73.3	170	24.0	47,505	26.7

As indicated in the preceding table, a majority of the total number (76%) and dollar amount (73.3%) of HMDA and small business loans were extended within the bank's assessment areas. Overall, the institution's level of lending within its assessment areas is considered responsive to community credit needs.

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

The bank's borrower distribution performance (lending to low- and moderate-income borrowers and small businesses having annual revenues of \$1 million or less) is considered reasonable for the Virginia Beach-Norfolk-Newport News, VA assessment area and excellent for Lancaster, VA NonMSA assessment area. On a combined basis and based on the relative lending volume and strength of performance in each assessment area, borrower distribution performance is considered reasonable.

Geographic Distribution of Loans

CB's geographic distribution performance (lending in low- and moderate-income census tracts) is considered poor for Lancaster, VA Non-MSA and excellent for Virginia Beach-Norfolk-Newport News, VA assessment area. On a combined basis, when considering the proportion of loans originated, CB's geographic distribution performance is considered reasonable overall. Greater weight is applied to the Virginia Beach-Norfolk-Newport News, VA assessment area as it has a significantly larger dollar volume.

Community Development Loans, Investments, and Services

CB's support of community development initiatives and organizations within its assessment areas is considered responsive. Overall, the bank provides an adequate level of qualified community development loans, investments, and services. Accordingly, the Community Development Test is rated Satisfactory. The bank faces no constraints preventing it from originating community development loans, making qualified investments, and providing community development services.

The following summarizes the bank's total community development activity during the review period:

- Three community development loans totaling \$4.2 million
- Nine qualified community development investments totaling \$4.4 million
- Donations to twenty-six qualified organizations totaling \$202,076.
- Bank employees used their financial expertise to support thirty-nine organizations that provide community development services throughout the bank's assessment areas.

Qualified community development activities that benefit multiple assessment areas or the broader statewide and regional area that include the bank's three assessment areas are as follows:

- One loan totaling \$3.4 million was made to an organization that provides community services to low- and moderate-income residents in a broader regional area that includes the Lancaster, VA NonMSA assessment area.
- Two investments totaling \$1 million in the Virginia Housing Development Authority (VHDA). The VHDA promotes affordable housing by financing single- and multi- family mortgages for low-and moderate-income individuals throughout the Commonwealth of Virginia.
- Six investments totaling \$2.4 million in equity funds established by the Virginia Community Development Corporation (VCDC). The VCDC is a non-profit organization that revitalizes communities by facilitating affordable housing, redevelopment of historic properties, and community revitalization throughout the Commonwealth of Virginia. These equity investments have specifically benefited the bank's Virginia Beach-Norfolk-Newport News, VA, and Richmond, VA assessment areas, as well as other areas within the Commonwealth of Virginia.
- One investment totaling \$1 million in a small business investment company (SBIC) fund that provides financing to small businesses within the regional area.
- Six qualified donations totaling \$56,151 to one organization that facilitated financial literacy within multiple assessment areas or the larger statewide area including the bank's assessment areas.
- Four qualified donations totaling \$7,000 to one organization that provided community services to low- and moderate-income individuals within a broader regional area including the bank's assessment areas.

Additionally, CB made use of innovative and/or flexible lending practices in serving the credit needs of its assessment areas. The bank utilized the Federal Home Loan Bank Atlanta's (FHLB) Affordable Housing Program (AHP) Homeownership Set-aside Program which is designed to facilitate affordable housing through grants that may be utilized by low- and moderate-income households to reduce closing costs, down payments and/or rehabilitation costs. Through the FHLB-Atlanta, the bank offers first-time homebuyers as well as current or retired law enforcement officers, educators, healthcare workers, firefighters or other first-responders, veterans, active-duty members of the U.S. military or their surviving spouses and other essential workers a grant up to \$15,000. During the review period, the bank submitted 17 grant applications totaling \$210,000 in grants to low- and moderate-income households throughout its assessment areas.

Details of additional community development activities that benefit specific assessment areas are discussed in subsequent sections of this report.

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.

METROPOLITAN AREAS

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

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN VIRGINIA BEACH-NORFOLK-
NEWPORT NEWS, VA ASSESSMENT AREA**

The Virginia Beach-Norfolk-Newport News, VA assessment area is located in eastern Virginia and primarily serves the Middle Peninsula region which includes a portion of the full Virginia Beach-Norfolk-Newport News, VA-NC MSA. The delineation consists of the counties of Gloucester, James City, Mathews, York, and the City of Williamsburg in their entirety. As previously mentioned, CB delineated only four census tracts in York County in 2022 and delineated York County in its entirety in 2023. Since the last exam, the bank opened a loan production office in the city of Newport News, VA originating both commercial and consumer loans. The bank operates eight branch offices in this market.

Recent data (June 30, 2023) from the FDIC indicates that CB ranks 3rd out of 13 institutions in local deposit market share, holding 16.2% of area deposits (excluding credit union deposits). According to 2023 aggregate HMDA loan data, the institution ranked 19th out of 294 lenders in reported home mortgage lending with a 1.2% market share. Additionally, in 2022, the bank ranked 14th of 335 reporters with a 2% market share of reported home mortgage lending.

Based on the bank's 2023 assessment area delineation and according to 2020 ACS data, the assessment area has a population of 210,968 and a median housing value of \$314,213. Within the assessment area, the owner-occupancy rate equals 65.3%, which exceeds the owner-occupancy rate for the Commonwealth of Virginia (60%) and the entire Virginia Beach-Norfolk-Newport News, VA-NC MSA (56.7%). The percentage of families living below the poverty level in the assessment area (4.1%) is lower than the percentages in the Commonwealth of Virginia (6.8%) and the Virginia Beach-Norfolk-Newport News, VA-NC MSA (7.7%).

The HUD estimated median family incomes for the MSA during the review period are detailed in the following table.

Median Family Income	2022	2023
Virginia Beach-Norfolk-Newport News, VA-NC MSA	\$93,200	\$99,800

Given the change in the assessment area composition between 2022 and 2023, the following tables provide pertinent demographic data for each year.

2022 Va Beach-Norfolk-Newport News, 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	5,754	14.2
Moderate	3	7.9	1,978	4.9	206	10.4	6,181	15.2
Middle	18	47.4	19,633	48.4	1,008	5.1	8,831	21.8
Upper	16	42.1	18,982	46.8	668	3.5	19,827	48.8
Unknown	1	2.6	0	0.0	0	0.0	0	0.0
Total AA	38	100.0	40,593	100.0	1,882	4.6	40,593	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	3,619	1,656	3.7	45.8	1,427	39.4	536	14.8
Middle	33,848	22,316	49.6	65.9	7,418	21.9	4,114	12.2
Upper	32,420	20,998	46.7	64.8	5,707	17.6	5,715	17.6
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	69,887	44,970	100.0	64.3	14,552	20.8	10,365	14.8
	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	334	4.7	303	4.6	29	7.6	2	3.0
Middle	3,356	47.3	3,128	47.0	193	50.3	35	53.0
Upper	3,410	48.0	3,219	48.4	162	42.2	29	43.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	7,100	100.0	6,650	100.0	384	100.0	66	100.0
Percentage of Total Businesses:				93.7		5.4		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	1	1.3	1	1.3	0	0.0	0	0.0
Middle	49	62.8	49	64.5	0	0.0	0	0.0
Upper	28	35.9	26	34.2	2	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	78	100.0	76	100.0	2	100.0	0	0.0
Percentage of Total Farms:				97.4		2.6		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.								

2023 Va Beach-Norfolk-Newport News, 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	6,888	12.6	
Moderate	4	8.0	3,165	5.8	330	10.4	8,255	15.1	
Middle	20	40.0	21,541	39.3	1,041	4.8	12,016	21.9	
Upper	24	48.0	30,133	54.9	891	3.0	27,680	50.5	
Unknown	2	4.0	0	0.0	0	0.0	0	0.0	
Total AA	50	100.0	54,839	100.0	2,262	4.1	54,839	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	4,957	1,721	2.9	34.7	2,597	52.4	639	12.9	
Middle	37,077	24,154	41.3	65.1	8,613	23.2	4,310	11.6	
Upper	47,521	32,634	55.8	68.7	8,637	18.2	6,250	13.2	
Unknown	0	0	0.0	0.0	0	0.0	0	0.0	
Total AA	89,555	58,509	100.0	65.3	19,847	22.2	11,199	12.5	
	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	355	3.9	327	3.8	26	5.4	2	2.6	
Middle	3,660	40.0	3,410	39.7	210	43.4	40	51.9	
Upper	5,129	56.1	4,846	56.5	248	51.2	35	45.5	
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	
Total AA	9,144	100.0	8,583	100.0	484	100.0	77	100.0	
Percentage of Total Businesses:					93.9		5.3		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	0	0.0	0	0.0	0	0.0	0	0.0	
Middle	50	59.5	50	61.0	0	0.0	0	0.0	
Upper	34	40.5	32	39.0	2	100.0	0	0.0	
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	
Total AA	84	100.0	82	100.0	2	100.0	0	0.0	
Percentage of Total Farms:					97.6		2.4		0.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.									

This assessment area is in the eastern region of Virginia and contains a portion of the Middle Peninsula, which is relatively rural and borders the Chesapeake Bay to the east and borders other minor internal waterways that separates the peninsula. The City of Williamsburg is a popular tourist destination and location of The College of William and Mary. Area employment opportunities exist within health services, retail trade, and leisure and hospitality. Major area employers include the Gloucester County School System, Mathews County School Board, Williamsburg-James City County School Board, Wal-Mart, The College of William and Mary, and the Colonial Williamsburg Foundation.

The following table reflects unemployment rates since the previous evaluation.

Va Beach-Norfolk-Newport News, VA Unemployment Rates				
Area	2019	2020	2021	2022
Gloucester County, VA	2.5%	5.6%	3.4%	2.7%
James City County, VA	2.6%	7.1%	4%	2.9%
Mathews County, VA	2.8%	5.1%	3.2%	2.9%
York County, VA	2.6%	5.7%	3.3%	2.8%
Williamsburg City, VA	3.8%	8.4%	4.8%	4.1%
Virginia Beach-Norfolk-Newport News, VA-NC MSA	3.1%	7.3%	4.5%	3.2%
Virginia	2.8%	6.5%	3.9%	2.9%
<i>Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics</i>				

As indicated in the preceding table, prior to the COVID-19 pandemic, the assessment area's unemployment rates in each locality were generally trending downward. During 2020, which was the peak of the pandemic, the assessment area, MSA, and state all experienced a substantial increase in unemployment rates. Since 2020, unemployment rates have been trending downward.

A non-profit community services organization official was contacted during the evaluation to understand the current economic market conditions and community credit needs. The contact stated that affordable housing remains an issue primarily due to the challenges of housing within Williamsburg City area. The contact also stated that local financial institutions are meeting the needs of the community and provide both financial literacy and donations in support of philanthropic activity.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

During 2022, the bank originated HMDA loans totaling \$34 million and small business loans totaling \$14 million within the assessment area. Accordingly, the bank's HMDA lending performance is given more weight than its small business performance when evaluating the bank's overall lending performance. Since the composition of the assessment area changed between 2022 and 2023, separate analysis tables are presented for each year.

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

Within this assessment area, the bank's borrower distribution of HMDA reflects a reasonable penetration while small business lending reflects an excellent penetration. Given the relative loan volumes and strength of performance for each product, the bank's overall performance is considered reasonable.

HMDA Lending

CB's borrower distribution performance of HMDA lending is considered reasonable overall. Performance for the home improvement loan category was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level Assessment Area: Va Beach-Norfolk-Newport News, VA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	4	5.1	4.6	485	2.2	2.1	14.2
Moderate	13	16.5	15.4	2,597	12.0	10.5	15.2
Middle	13	16.5	21.9	3,508	16.1	20.3	21.8
Upper	34	43.0	37.7	11,822	54.4	46.7	48.8
Unknown	15	19.0	20.4	3,313	15.2	20.5	0.0
Total	79	100.0	100.0	21,725	100.0	100.0	100.0
Refinance Loans							
Low	5	11.6	9.7	573	5.4	5.6	14.2
Moderate	8	18.6	20.8	1,432	13.4	15.3	15.2
Middle	4	9.3	22.4	743	7.0	21.5	21.8
Upper	21	48.8	29.3	6,730	63.1	38.0	48.8
Unknown	5	11.6	17.8	1,191	11.2	19.6	0.0
Total	43	100.0	100.0	10,669	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	6.2	0	0.0	5.4	14.2
Moderate	1	16.7	16.7	50	5.6	11.5	15.2
Middle	0	0.0	25.4	0	0.0	21.6	21.8
Upper	4	66.7	49.2	728	81.5	58.9	48.8
Unknown	1	16.7	2.5	115	12.9	2.7	0.0
Total	6	100.0	100.0	893	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	9	6.9	6.3	1,058	3.1	3.1	14.2
Moderate	22	16.9	16.9	4,079	12.0	11.6	15.2
Middle	17	13.1	22.4	4,251	12.5	20.5	21.8
Upper	61	46.9	37.0	19,955	58.8	45.2	48.8
Unknown	21	16.2	17.4	4,619	13.6	19.6	0.0
Total	130	100.0	100.0	33,962	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 2023 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Va Beach-Norfolk-Newport News, VA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	2	5.6	3.0	374	3.6	1.2	12.6
Moderate	5	13.9	11.9	1,051	10.0	7.4	15.1
Middle	4	11.1	21.6	725	6.9	18.8	21.9
Upper	16	44.4	39.6	6,058	57.8	48.2	50.5
Unknown	9	25.0	23.9	2,267	21.6	24.3	0.0
Total	36	100.0	100.0	10,475	100.0	100.0	100.0
Refinance Loans							
Low	4	14.8	6.9	219	6.4	3.7	12.6
Moderate	4	14.8	19.4	260	7.6	14.9	15.1
Middle	7	25.9	21.7	710	20.6	18.9	21.9
Upper	9	33.3	36.5	1,965	57.1	43.0	50.5
Unknown	3	11.1	15.5	285	8.3	19.5	0.0
Total	27	100.0	100.0	3,439	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	5.8	0	0.0	3.2	12.6
Moderate	0	0.0	14.1	0	0.0	9.7	15.1
Middle	1	33.3	22.5	55	33.3	20.5	21.9
Upper	1	33.3	54.5	60	36.4	63.7	50.5
Unknown	1	33.3	3.2	50	30.3	2.8	0.0
Total	3	100.0	100.0	165	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	6	8.8	4.1	593	4.2	1.7	12.6
Moderate	9	13.2	13.9	1,311	9.2	8.5	15.1
Middle	13	19.1	22.2	1,538	10.8	18.9	21.9
Upper	27	39.7	41.3	8,149	57.4	48.4	50.5
Unknown	13	19.1	18.5	2,602	18.3	22.5	0.0
Total	68	100.0	100.0	14,193	100.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Home Purchase Lending

The bank's home purchase lending performance is considered reasonable overall. This conclusion considers the relative strength of performance and volume of lending each year.

During 2023, the bank's percentage of home purchase loans to low-income borrowers (5.6%) lagged the percentage of area low-income families (12.6), however, exceeded the aggregate reporters level of lending (3%). CB's percentage of lending to moderate-income borrowers (13.9%) lagged the percentage of area moderate-income families (15.1%) but exceeded the aggregate lending level (11.9%). The bank's level of lending is considered excellent.

In 2022, the bank's lending to low-income borrowers (5.1%) slightly exceeded the aggregate lending level (4.6%) but was less than the percentage of area low-income families (14.2%). The bank's lending to moderate-income borrowers (16.5%) exceeded both the aggregate lending level (15.4%) and the percentage of area families that are moderate-income (15.2%). Overall, the bank's performance is considered reasonable.

Refinance Lending

The bank's refinance lending performance is considered reasonable overall.

During 2023, the bank's percentage of refinance loans to low-income borrowers (14.8%) exceeded the percentage of area low-income families (12.6%) and the aggregate reporters level of lending (6.9%). CB's percentage of lending to moderate-income borrowers (14.8%) lagged both the percentage of area moderate-income families (15.1%) and the aggregate lending level (19.4%). The bank's level of lending is considered reasonable. Performance in 2022 is substantially similar.

Small Business Lending

CB's small business loan performance is considered excellent.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Va Beach-Norfolk-Newport News, VA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	61	70.9	53.5	9,310	66.4	34.3	93.7
Over \$1 Million	23	26.7		3,918	27.9		5.4
Revenue Unknown	2	2.3		800	5.7		0.9
Total	86	100.0		14,027	100.0		100.0
By Loan Size							
\$100,000 or Less	45	52.3	95.8	2,102	15.0	46.0	
\$100,001 - \$250,000	24	27.9	2.2	4,166	29.7	14.6	
\$250,001 - \$1 Million	17	19.8	2.0	7,759	55.3	39.4	
Total	86	100.0	100.0	14,027	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	32	52.5		1,348	14.5		
\$100,001 - \$250,000	18	29.5		3,114	33.4		
\$250,001 - \$1 Million	11	18.0		4,848	52.1		
Total	61	100.0		9,310	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.							

In 2022, 93.7% of area businesses had revenues of \$1 million or less. CB's level of lending to businesses with annual revenues of \$1 million or less during 2022 (70.9%) significantly exceeded the aggregate lending level (53.5%). With respect to the distribution by loan size, 52.3% of the bank's small business loans during 2022 were in amounts of \$100,000 or less compared to 95.8% of such lending by aggregate reporters. Overall, the bank's small business performance during 2022 is considered excellent, and the conclusion is driven by its small business lending by revenue compared to the aggregate reporters' level of lending.

Geographic Distribution of Loans

According to census data, the bank's assessment area does not contain any low-income census tracts, therefore, conclusions will be based on the bank's performance within the moderate-income census tracts. The bank's geographic distribution performance is considered reasonable for HMDA lending and excellent for small business lending. Given the relative loan volumes and strength of performance for each product, the bank's overall performance is considered reasonable.

HMDA Lending

CB's geographic distribution performance of HMDA lending is considered reasonable overall. Performance for home improvement and multi-family loans was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: Va Beach-Norfolk-Newport News, 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	0	0.0	3.5	0	0.0	2.4	3.7
Middle	61	77.2	46.8	16,231	74.7	41.9	49.6
Upper	18	22.8	49.7	5,494	25.3	55.7	46.7
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	79	100.0	100.0	21,725	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	4.7	3.5	625	5.9	3.1	3.7
Middle	28	65.1	53.5	5,791	54.3	48.5	49.6
Upper	13	30.2	42.8	4,253	39.9	48.3	46.7
Unknown	0	0.0	0.1	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	43	100.0	100.0	10,669	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	2.1	0	0.0	2.0	3.7
Middle	4	66.7	46.9	440	49.3	42.2	49.6
Upper	2	33.3	51.0	453	50.7	55.8	46.7
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	893	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	16.7	0	0.0	0.5	7.0
Middle	0	0.0	33.3	0	0.0	26.6	34.4
Upper	0	0.0	50.0	0	0.0	72.9	58.6
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	0.0	0	0.0	0.0	0.0
Moderate	2	1.5	3.4	625	1.8	2.4	3.7
Middle	94	72.3	48.6	23,037	67.8	42.2	49.6
Upper	34	26.2	48.0	10,300	30.3	55.4	46.7
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	130	100.0	100.0	33,962	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 2023 Home Mortgage Lending By Income Level of Geography Assessment Area: Va Beach-Norfolk-Newport News, 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	2	5.6	2.7	562	5.4	1.8	2.9
Middle	26	72.2	40.9	6,988	66.7	36.2	41.3
Upper	8	22.2	56.4	2,925	27.9	62.0	55.8
Unknown	0	0.0	0.0	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	36	100.0	100.0	10,475	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	2.3	0	0.0	1.8	2.9
Middle	22	81.5	47.2	2,524	73.4	44.8	41.3
Upper	5	18.5	50.5	915	26.6	53.3	55.8
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	27	100.0	100.0	3,439	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	1.8	0	0.0	1.3	2.9
Middle	3	100.0	35.5	165	100.0	32.4	41.3
Upper	0	0.0	62.8	0	0.0	66.3	55.8
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	3	100.0	100.0	165	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	0.0	0	0.0	0.0	6.4
Middle	0	0.0	25.0	0	0.0	69.7	34.1
Upper	0	0.0	75.0	0	0.0	30.3	59.5
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	0.0	0	0.0	0.0	0.0
Moderate	2	2.9	2.4	562	4.0	1.5	2.9
Middle	53	77.9	41.4	9,791	69.0	41.5	41.3
Upper	13	19.1	56.1	3,840	27.1	57.0	55.8
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	68	100.0	100.0	14,193	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Home Purchase Lending

The bank's purchase lending performance is considered reasonable overall. This conclusion considers the relative strength of performance and volume of lending each year.

During 2023, the bank's level of lending in moderate-income census tracts (5.6%) exceeded both the percentage of owner-occupied housing units (2.9%) and the aggregate lending level (2.7%) within such tracts. The bank's level of lending is considered excellent.

During 2022, the bank did not originate any home purchase loans in moderate-income census tracts. By comparison, the percentage of owner-occupied housing units equaled 3.7% and the aggregate lending level equaled 3.5% within moderate tracts. The bank's level of lending is considered very poor.

Refinance Lending

The bank's refinance lending performance is considered reasonable overall.

During 2023, The bank did not originate any refinance loans in moderate-income census tracts. By comparison, the percentage of owner-occupied housing units equaled 2.9% and the aggregate lending level equaled 2.3% within moderate tracts. The bank's level of lending is considered very poor.

During 2022, the bank's level of lending in moderate-income census tracts (4.7%) exceeded both the percentage of owner-occupied housing units (3.7%) and aggregate lending level (3.5%) within such tracts. The bank's level of lending is considered excellent.

Small Business Lending

CB's small business loan performance is considered excellent.

Distribution of 2022 Small Business Lending By Income Level of Geography							
Assessment Area: Va Beach-Norfolk-Newport News, 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	10	11.6	5.0	1,803	12.9	4.7	4.7
Middle	54	62.8	47.6	7,522	53.6	48.7	47.3
Upper	22	25.6	46.3	4,702	33.5	46.2	48.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	1.1	0	0.0	0.4	
Total	86	100.0	100.0	14,027	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 level of lending (11.6%) significantly exceeded both the aggregate level of lending (5.0%) and the percentage of businesses (4.7%) in the area.

Community Development Loans, Investments, and Services

Overall, CB's responsiveness to the community development needs of the assessment area is considered adequate. Accordingly, the Community Development Test is rated Satisfactory. Opportunities for community development lending, investments, and services are reasonably available within the assessment area based upon discussions with an individual knowledgeable of the local community and the review of performance evaluations of other similarly situated local financial institutions. The bank faces no significant constraints in providing such loans, investments, and services given its capacity, market position, and business strategy.

In addition to the community development activities noted earlier that benefit multiple assessment areas including this one, the following community development activities were performed within the Virginia Beach-Norfolk-Newport News, VA assessment area:

- Eighteen donations totaling \$93,925 were made to qualifying organizations that provided community services to low- and moderate-income residents.
- Seven FHLB-Atlanta first-time homebuyer grant applications were submitted totaling \$87,500 in grants to assist low- and moderate-income homebuyers with closing costs or down payment assistance.
- Twenty-three community development services were provided to organizations that provide community services to area low- and moderate-income residents.

METROPOLITAN AREAS

(reviewed using limited-scope review procedures)

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

The bank operates five branch offices that serve the City of Richmond, Chesterfield and Henrico Counties, Virginia in their entirety. The assessment area is a portion of the Richmond, VA MSA and consists of 24 low-income and 60 moderate-income census tracts. Based on 2020 ACS data, the assessment area has a population of approximately 925,547, including 215,550 families. The 2022 median family income for the Richmond, VA assessment area equaled \$100,100. According to FDIC deposit data as of June 30, 2023, the bank ranked 17th out of 25 institutions in local deposit market share with .2% of all FDIC-insured deposits (excluding credit union deposits).

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending performance for the Richmond, VA assessment area is reflective of the bank's size, capacity, and branching. Community development activities are also reflective of the banks branching, size, and capacity to provide services. The bank originated two community development loans totaling approximately \$840,000, made qualified donations totaling \$37,500 and provided ten qualified service activities. Additionally, the bank submitted a \$15,000 application for a first-time homebuyer FHLB-Atlanta grant to be used for closing costs or down payment assistance.

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. Lending tables and demographic information can be found in Appendix A of this evaluation.

Assessment Area	Lending Test	Community Development Test
Richmond, VA Assessment Area	Consistent	Consistent

NONMETROPOLITAN AREA
(reviewed using full-scope review)

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN LANCASTER, VA
NONMETROPOLITAN ASSESSMENT AREA**

The bank's nonmetropolitan assessment area is located along the Northern Neck in eastern Virginia. The bank operates four branch offices in the Lancaster, VA NonMSA assessment area which includes Lancaster, Northumberland, and Middlesex Counties in the Commonwealth of Virginia in their entirety.

As of June 30, 2023, CB ranked 2nd out of eight financial institutions in deposit market share and held 25.9% of local deposits (excluding credit union deposits) according to data compiled by the FDIC. Additionally, according to 2023 aggregate HMDA data, the bank ranked 4th out of 178 lenders in reported home mortgage lending with a 4.3% market share. In 2022, the bank ranked 2nd out of 219 lenders in reported home mortgage lending with a 4.9% market share.

Based on 2020 ACS data, the assessment area served by the bank has a total population of 33,383 and a median housing value of \$258,951. Within the assessment area, the owner-occupancy rate equals 52.8%, which is below both the owner-occupancy rates for the Commonwealth of Virginia (60%) and the nonmetropolitan areas of Virginia (56.7%). The percentage of families living below the poverty level in the assessment area (8.8%) is above the rate for the Commonwealth of Virginia (6.7%) and below the rate in nonmetropolitan areas of Virginia (11.5%).

The HUD estimated median family income for nonmetropolitan areas of Virginia during 2022 and 2023 are included in the following table.

Median Family Income	2022	2023
Statewide Nonmetropolitan Virginia Area	\$67,800	\$73,800

The following table provides pertinent demographic data for this assessment area.

2022 Lancaster, VA NonMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,536	15.5
Moderate	1	6.7	1,130	11.4	168	14.9	1,590	16.0
Middle	3	20.0	2,176	21.9	281	12.9	1,942	19.6
Upper	8	53.3	6,612	66.7	427	6.5	4,850	48.9
Unknown	3	20.0	0	0.0	0	0.0	0	0.0
Total AA	15	100.0	9,918	100.0	876	8.8	9,918	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	2,526	1,440	11.2	57.0	97	3.8	989	39.2
Middle	5,297	3,198	24.9	60.4	481	9.1	1,618	30.5
Upper	16,482	8,199	63.9	49.7	2,322	14.1	5,961	36.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	24,305	12,837	100.0	52.8	2,900	11.9	8,568	35.3
	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	148	8.8	146	9.4	1	0.8	1	5.3
Middle	339	20.1	312	20.1	24	20.0	3	15.8
Upper	1,202	71.2	1,092	70.5	95	79.2	15	78.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,689	100.0	1,550	100.0	120	100.0	19	100.0
Percentage of Total Businesses:				91.8		7.1		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	13	16.7	13	16.9	0	0.0	0	0.0
Middle	14	17.9	14	18.2	0	0.0	0	0.0
Upper	51	65.4	50	64.9	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	78	100.0	77	100.0	1	100.0	0	0.0
Percentage of Total Farms:				98.7		1.3		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.								

According to data published by the FFIEC in both 2022 and 2023, one of the three middle-income census tracts in this assessment area has been designated as underserved. The underserved middle-income census tract is located in Northumberland County. Underserved tracts are typically located in rural communities that are distant from more urban population centers and may lack certain community services and/or infrastructure. The remaining middle-income census tracts in the assessment area are located in Middlesex County and were not designated as being distressed or underserved during the review period.

The Lancaster, VA assessment area is on the eastern coastline of Virginia along the Chesapeake Bay. The area is relatively rural and the local economy is primarily dependent on tourism, agriculture, and manufacturing. Major employers include Manufacturing Techniques Inc., Bon Secours Health System, Rappahannock Westminster Canterbury, and Middle Peninsula Northern Neck Mental Health Center.

The following table reflects unemployment rates since the previous evaluation.

Geographic Area	2019	2020	2021	2022
Lancaster County, VA	4.3%	7.6%	5.3%	3.6%
Middlesex County, VA	2.5%	5.3%	3.4%	2.7%
Northumberland County, VA	4.3%	6.6%	4.8%	4%
Commonwealth of Virginia	2.8%	6.5%	3.9%	2.9%

During 2020, which was the peak of the COVID-19 pandemic, the assessment area counties and the state all experienced a substantial increase in unemployment rates. Since 2020, the area's unemployment rates have been steadily trending downward.

A non-profit organization official was contacted during the evaluation to discuss local conditions and community credit needs. The contact noted the community has a great need for affordable housing and financial literacy. The contact also stated that area financial institutions are active and often reach out to local organizations to facilitate community services or introduce new products; and overall reasonably meet the banking needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

During 2022, the bank originated HMDA loans totaling \$16.1 million and small business loans totaling \$7.8 million. Accordingly, the bank's HMDA lending performance generally carries greater weight when evaluating overall lending performance.

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

Within this assessment area, the bank's distribution of HMDA reflects an excellent penetration, while small business lending reflects a reasonable penetration. On a combined basis and based on the respective lending volumes and relative strengths of performance, overall borrower distribution performance is considered excellent.

HMDA Lending

CB's borrower distribution performance for HMDA lending is considered excellent overall. Performance for the home improvement category was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Lancaster, VA NonMSA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Home Purchase Loans													
Low	3	7.7	2.5	352	3.6	0.9	1	5.6	4.5	70	15	15	15.5
Moderate	8	20.5	11.5	1255	13.0	5.7	3	16.7	8.1	393	8.5	4.1	16.0
Middle	6	15.4	14.6	1306	13.5	9.2	2	11.1	14.1	396	8.6	9.5	19.6
Upper	20	51.3	55.5	6,056	62.7	68.0	11	61.1	51.2	2,941	63.9	62.0	48.9
Unknown	2	5.1	15.9	696	7.2	16.2	1	5.6	22.0	800	17.4	22.8	0.0
Total	39	100.0	100.0	9,665	100.0	100.0	18	100.0	100.0	4,600	100.0	100.0	100.0
Refinance Loans													
Low	4	12.5	5.0	327	5.4	2.2	2	10.0	9.6	122	3.1	4.1	15.5
Moderate	5	15.6	16.7	579	9.6	9.5	4	20.0	11.8	263	6.8	7.4	16.0
Middle	6	18.8	19.3	977	16.1	12.7	3	15.0	16.2	532	13.7	11.5	19.6
Upper	17	53.1	49.1	4,172	68.9	61.8	8	40.0	45.2	2,684	69.0	57.8	48.9
Unknown	0	0.0	9.9	0	0.0	13.9	3	15.0	17.1	288	7.4	19.2	0.0
Total	32	100.0	100.0	6,055	100.0	100.0	20	100.0	100.0	3,889	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	3.3	0	0.0	14	3	42.9	4.6	95	13.6	12	15.5
Moderate	0	0.0	11.0	0	0.0	7.2	0	0.0	11.5	0	0.0	8.1	16.0
Middle	0	0.0	13.2	0	0.0	9.5	0	0.0	21.8	0	0.0	11.7	19.6
Upper	3	100.0	70.3	370	100.0	79.2	4	57.1	57.5	605	86.4	76.7	48.9
Unknown	0	0.0	2.2	0	0.0	2.7	0	0.0	4.6	0	0.0	2.3	0.0
Total	3	100.0	100.0	370	100.0	100.0	7	100.0	100.0	700	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	7	9.5	3.5	679	4.2	13	6	13.3	5.6	287	3.1	19	15.5
Moderate	13	17.6	12.9	1834	11.4	6.7	7	15.6	10.0	656	7.1	5.0	16.0
Middle	12	16.2	16.0	2,283	14.2	10.1	5	11.1	15.3	928	10.1	9.8	19.6
Upper	40	54.1	54.8	10,598	65.9	67.2	23	51.1	50.3	6,230	67.8	62.4	48.9
Unknown	2	2.7	12.8	696	4.3	14.7	4	8.9	18.8	1088	11.8	20.9	0.0
Total	74	100.0	100.0	16,090	100.0	100.0	45	100.0	100.0	9,189	100.0	100.0	100.0
Source: 2023 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Home Purchase Lending

The bank's home purchase lending performance is considered excellent overall.

During 2023, the bank's percentage of home purchase loans to low-income borrowers (5.6%) lagged the percentage of area low-income families (15.5%) but exceeded the aggregate level of lending (4.5%). CB's percentage of lending to moderate-income borrowers (16.7%) exceeded both the percentage of area moderate-income families (16.0%) and the aggregate level of lending (8.1%). The bank's level of lending is considered excellent. Performance in 2022 is substantially similar.

Refinance Lending

The bank's refinance lending performance is considered excellent overall.

During 2023, the bank's percentage of refinance loans to low-income borrowers (10%) lagged the percentage of area low-income families (15.5%) but exceeded the aggregate level of lending (9.6%). CB's percentage of lending to moderate-income borrowers (20%) exceeded both the percentage of area moderate-income families (16%) and the aggregate lending level (11.8%). The bank's level of lending is considered excellent. Performance in 2022 is substantially similar.

Small Business Lending

CB's small business loan performance is considered reasonable.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Lancaster, VA NonMSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	19	59.4	53.1	4,505	57.7	29.3	91.8
Over \$1 Million	13	40.6		3,303	42.3		7.1
Revenue Unknown	0	0.0		0	0.0		1.1
Total	32	100.0		7,808	100.0		100.0
By Loan Size							
\$100,000 or Less	11	34.4	92.0	552	7.1	36.4	
\$100,001 - \$250,000	9	28.1	3.8	1,443	18.5	17.2	
\$250,001 - \$1 Million	12	37.5	4.1	5,813	74.4	46.4	
Total	32	100.0	100.0	7,808	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	8	42.1		389	8.6		
\$100,001 - \$250,000	4	21.1		740	16.4		
\$250,001 - \$1 Million	7	36.8		3,376	74.9		
Total	19	100.0		4,505	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.							

Within the assessment area, 91.8% of area businesses have revenues of \$1 million or less. During 2022, the bank's level of lending to businesses with annual revenues of \$1 million or less (59.4%) exceeded the aggregate lending level (53.1%). With respect to the distribution by loan size, 34.4% of the bank's small business loans during 2022 were in amounts of \$100,000 or less compared to 92% of such lending by aggregate reporters. When considering these performance elements, overall, the bank's performance during 2022 is considered reasonable.

Geographic Distribution of Loans

According to census data, the bank's assessment area does not contain any low-income census tracts, therefore, conclusion will be based on the bank's performance within the moderate-income census tracts. The bank's geographic distribution performance is considered reasonable for HMDA lending and very poor for small business lending. Given the relative loan volumes and strength of performance for each product, the bank's overall performance is considered poor.

HMDA Lending

CB's geographic distribution performance of HMDA lending is considered reasonable overall. Performance for home improvement and multi-family loans was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Lancaster, VA NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	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	0.0	0	0.0	0.0	0.0
Moderate	3	7.7	11.0	523	5.4	10.6	1	5.6	10.4	265	5.8	8.9	11.2
Middle	8	20.5	19.9	1957	20.2	16.4	1	5.6	20.3	176	3.8	17.1	24.9
Upper	28	71.8	69.0	7,185	74.3	73.0	16	88.9	69.3	4,159	90.4	74.0	63.9
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	39	100.0	100.0	9,665	100.0	100.0	18	100.0	100.0	4,600	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	3	9.4	10.1	1040	17.2	8.7	0	0.0	9.6	0	0.0	7.8	11.2
Middle	1	3.1	16.3	100	17	12.7	2	10.0	25.9	141	3.6	22.1	24.9
Upper	28	87.5	73.6	4,915	81.2	78.5	18	90.0	64.5	3,748	96.4	70.2	63.9
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	32	100.0	100.0	6,055	100.0	100.0	20	100.0	100.0	3,889	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	15.4	0	0.0	12.6	1	14.3	6.9	27	3.9	6.3	11.2
Middle	0	0.0	20.9	0	0.0	18.5	0	0.0	20.7	0	0.0	18.4	24.9
Upper	3	100.0	63.7	370	100.0	68.9	6	85.7	72.4	673	96.1	75.3	63.9
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	3	100.0	100.0	370	100.0	100.0	7	100.0	100.0	700	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	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	100.0	0	0.0	100.0	0.0
Middle	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	10.5
Upper	0	0.0	100.0	0	0.0	100.0	0	0.0	0.0	0	0.0	0.0	89.5
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	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	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	6	8.1	11.2	1,563	9.7	10.5	2	4.4	10.2	292	3.2	8.8	11.2
Middle	9	12.2	18.9	2,057	12.8	15.4	3	6.7	21.6	317	3.4	17.9	24.9
Upper	59	79.7	69.8	12,470	77.5	74.2	40	88.9	68.2	8,580	93.4	73.4	63.9
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	74	100.0	100.0	16,090	100.0	100.0	45	100.0	100.0	9,189	100.0	100.0	100.0
Source: 2023 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Home Purchase Lending

The bank's purchase loan performance is considered reasonable overall. This conclusion considers the relative strength of performance and volume of lending each year.

During 2023, the bank's level of lending in moderate-income census tracts (5.6%) lagged both the percentage of owner-occupied housing units (11.2%) and the aggregate lending level (10.4%) within such tracts. The bank's level of lending is considered poor.

During 2022, the bank's level of lending in moderate-income census tracts (7.7%) lags both percentage of owner-occupied housing units (11.2%) and aggregate lending level (11%) within such tracts. The bank's level of lending is considered reasonable.

Refinance Lending

The bank's refinance loan performance is considered poor overall. This conclusion considers the relative strength of performance and volume of lending each year.

During 2023, The bank did not originate any refinance loans in moderate-income census tracts. By comparison, the percentage of owner-occupied housing units equaled 11.2% and the aggregate lending level equaled 9.6% within moderate tracts. The bank's level of lending is considered very poor.

During 2022, the bank's level of lending in moderate-income census tracts (9.4%) lagged both the percentage of owner-occupied housing units (11.2%) and the aggregate lending level (10.1%) within such tracts. The bank's level of lending is considered reasonable.

Small Business Lending

CB's small business loan performance is considered very poor.

Distribution of 2022 Small Business Lending By Income Level of Geography							
Assessment Area: Lancaster, VA NonMSA							
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	0	0.0	5.1	0	0.0	5.6	8.8
Middle	2	6.3	20.7	150	1.9	22.0	20.1
Upper	30	93.8	72.0	7,658	98.1	71.8	71.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	2.2	0	0.0	0.6	
Total	32	100.0	100.0	7,808	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 level of lending (0.0%) significantly lagged both the aggregate lending (5.1%) and the percentage of total businesses in moderate-income census tracts.

Community Development Loans, Investments, and Services

The bank has made several qualified loans and services that benefit the Lancaster, VA assessment area while also benefiting a greater regional area. The bank partners have also partially targeted initiatives that support low- and moderate-income families, whether it's through a board or committee appointment, serving in a food bank, providing financial literacy, or using their financial expertise to promote and advocate.

In addition to the community development activities benefiting multiple assessment areas or a broader statewide region, the following activities directly benefited this assessment area.

- One employee provided financial literacy to students at Lancaster High School with 98% of the student population that qualifies for free or reduced lunch.
- Nine FHLB-Atlanta first-time homebuyer grant applications were submitted totaling \$107,500 to assist low- and moderate-income homebuyers with closing costs or down payment assistance.
- Three employees serve as board or committee members for four organizations that support low- and moderate-income families.
- Two contributions totaling \$7,500 were made to the Boys and Girls Club of Northern Neck specifically to help underprivilege children and families.

Considering that there are no low-income census tracts and only one moderate-income tract, CB's systems for delivering retail-banking services appear effective and are accessible to significant portions of the assessment area. Overall, the bank has an adequate level of responsiveness to the community's needs through its lending and community development activities.

CRA APPENDIX A
LIMITED REVIEW TABLES

Richmond, VA Assessment Area

2023 Richmond, VA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	24	10.2	15,175	7.0	4,671	30.8	45,078	20.9
Moderate	60	25.5	40,686	18.9	4,164	10.2	39,107	18.1
Middle	77	32.8	83,455	38.7	4,094	4.9	43,387	20.1
Upper	69	29.4	74,583	34.6	1,599	2.1	87,978	40.8
Unknown	5	2.1	1,651	0.8	401	24.3	0	0.0
Total AA	235	100.0	215,550	100.0	14,929	6.9	215,550	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	31,295	8,371	3.8	26.7	20,024	64.0	2,900	9.3
Moderate	84,272	36,509	16.5	43.3	40,701	48.3	7,062	8.4
Middle	139,126	91,719	41.5	65.9	39,837	28.6	7,570	5.4
Upper	112,553	82,895	37.5	73.6	24,581	21.8	5,077	4.5
Unknown	4,515	1,345	0.6	29.8	2,687	59.5	483	10.7
Total AA	371,761	220,839	100.0	59.4	127,830	34.4	23,092	6.2
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2,847	6.0	2,581	5.9	248	8.0	18	4.8
Moderate	9,034	19.0	8,301	18.9	675	21.9	58	15.4
Middle	18,210	38.4	16,915	38.5	1,188	38.5	107	28.5
Upper	16,455	34.7	15,381	35.0	887	28.8	187	49.7
Unknown	890	1.9	798	1.8	86	2.8	6	1.6
Total AA	47,436	100.0	43,976	100.0	3,084	100.0	376	100.0
Percentage of Total Businesses:				92.7		6.5		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	7	2.6	7	2.7	0	0.0	0	0.0
Moderate	38	14.2	38	14.5	0	0.0	0	0.0
Middle	87	32.6	85	32.4	2	40.0	0	0.0
Upper	134	50.2	131	50.0	3	60.0	0	0.0
Unknown	1	0.4	1	0.4	0	0.0	0	0.0
Total AA	267	100.0	262	100.0	5	100.0	0	0.0
Percentage of Total Farms:				98.1		1.9		0.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

2022 Richmond, VA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	24	10.2	15,175	7.0	4,671	30.8	45,078	20.9
Moderate	60	25.5	40,686	18.9	4,164	10.2	39,107	18.1
Middle	77	32.8	83,455	38.7	4,094	4.9	43,387	20.1
Upper	69	29.4	74,583	34.6	1,599	2.1	87,978	40.8
Unknown	5	2.1	1,651	0.8	401	24.3	0	0.0
Total AA	235	100.0	215,550	100.0	14,929	6.9	215,550	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	31,295	8,371	3.8	26.7	20,024	64.0	2,900	9.3
Moderate	84,272	36,509	16.5	43.3	40,701	48.3	7,062	8.4
Middle	139,126	91,719	41.5	65.9	39,837	28.6	7,570	5.4
Upper	112,553	82,895	37.5	73.6	24,581	21.8	5,077	4.5
Unknown	4,515	1,345	0.6	29.8	2,687	59.5	483	10.7
Total AA	371,761	220,839	100.0	59.4	127,830	34.4	23,092	6.2
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2,853	6.0	2,588	5.9	247	7.9	18	4.7
Moderate	9,068	19.2	8,319	19.0	689	22.1	60	15.6
Middle	18,126	38.3	16,838	38.5	1,181	38.0	107	27.8
Upper	16,338	34.6	15,238	34.8	906	29.1	194	50.4
Unknown	893	1.9	799	1.8	88	2.8	6	1.6
Total AA	47,278	100.0	43,782	100.0	3,111	100.0	385	100.0
Percentage of Total Businesses:					92.6		6.6	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	8	3.1	8	3.2	0	0.0	0	0.0
Moderate	35	13.7	35	14.0	0	0.0	0	0.0
Middle	86	33.7	84	33.6	2	40.0	0	0.0
Upper	125	49.0	122	48.8	3	60.0	0	0.0
Unknown	1	0.4	1	0.4	0	0.0	0	0.0
Total AA	255	100.0	250	100.0	5	100.0	0	0.0
Percentage of Total Farms:					98.0		2.0	
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.								

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Richmond, VA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	7.1	0	0.0	4.1	0	0.0	5.8	0	0.0	3.1	20.9
Moderate	0	0.0	21.7	0	0.0	15.2	0	0.0	20.9	0	0.0	15.1	18.1
Middle	2	10.0	22.0	676	9.0	20.9	3	16.7	20.9	998	14.3	19.5	20.1
Upper	8	40.0	31.5	3,986	53.1	41.2	11	61.1	32.4	4,806	68.9	42.0	40.8
Unknown	10	50.0	17.7	2,849	37.9	17.6	4	22.2	20.0	1,168	16.8	20.3	0.0
Total	20	100.0	100.0	7,511	100.0	100.0	18	100.0	100.0	6,972	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	14.6	0	0.0	9.1	1	10.0	14.9	22	11	9.7	20.9
Moderate	0	0.0	24.9	0	0.0	20.6	1	10.0	25.1	75	3.6	21.6	18.1
Middle	2	9.1	20.0	77	11	19.8	1	10.0	21.1	240	11.5	21.0	20.1
Upper	9	40.9	24.8	2,510	36.4	33.5	6	60.0	22.1	1,565	74.8	27.0	40.8
Unknown	11	50.0	15.8	4,312	62.5	17.0	1	10.0	16.7	190	9.1	20.7	0.0
Total	22	100.0	100.0	6,899	100.0	100.0	10	100.0	100.0	2,092	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	6.4	0	0.0	4.3	0	0.0	7.8	0	0.0	4.8	20.9
Moderate	1	33.3	18.9	250	66.1	12.7	0	0.0	21.9	0	0.0	14.6	18.1
Middle	1	33.3	24.9	43	11.4	19.8	0	0.0	25.0	0	0.0	21.4	20.1
Upper	1	33.3	47.0	85	22.5	60.2	2	100.0	41.4	500	100.0	54.5	40.8
Unknown	0	0.0	2.8	0	0.0	3.0	0	0.0	3.8	0	0.0	4.6	0.0
Total	3	100.0	100.0	378	100.0	100.0	2	100.0	100.0	500	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	0	0.0	9.4	0	0.0	5.4	1	3.3	7.8	22	0.2	4.1	20.9
Moderate	1	2.2	22.1	250	17	17.1	1	3.3	21.7	75	0.8	15.9	18.1
Middle	5	11.1	21.4	796	5.4	20.4	4	13.3	21.6	1,238	12.9	19.8	20.1
Upper	18	40.0	30.9	6,581	44.5	40.0	19	63.3	31.5	6,871	71.8	40.5	40.8
Unknown	21	46.7	16.2	7,161	48.4	17.1	5	16.7	17.4	1,358	14.2	19.8	0.0
Total	45	100.0	100.0	14,788	100.0	100.0	30	100.0	100.0	9,564	100.0	100.0	100.0
Source: 2023 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 2022 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Richmond, VA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	18	69.2	52.0	6,969	73.1	36.0	92.6
Over \$1 Million	8	30.8		2,558	26.9		6.6
Revenue Unknown	0	0.0		0	0.0		0.8
Total	26	100.0		9,527	100.0		100.0
By Loan Size							
\$100,000 or Less	5	19.2	95.0	318	3.3	40.9	
\$100,001 - \$250,000	7	26.9	2.5	1,224	12.8	13.9	
\$250,001 - \$1 Million	14	53.8	2.5	7,985	83.8	45.2	
Total	26	100.0	100.0	9,527	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	4	22.2		246	3.5		
\$100,001 - \$250,000	3	16.7		469	6.7		
\$250,001 - \$1 Million	11	61.1		6,254	89.7		
Total	18	100.0		6,969	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.							

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography Assessment Area: Richmond, VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	1	5.0	4.6	108	14	3.1	2	11.1	4.6	578	8.3	2.9	3.8
Moderate	1	5.0	21.6	260	3.5	16.4	5	27.8	22.7	1103	15.8	17.5	16.5
Middle	6	30.0	37.3	1405	18.7	34.2	4	22.2	37.6	1095	15.7	35.2	41.5
Upper	12	60.0	36.0	5,738	76.4	45.8	7	38.9	34.9	4,196	60.2	44.2	37.5
Unknown	0	0.0	0.6	0	0.0	0.5	0	0.0	0.2	0	0.0	0.2	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	20	100.0	100.0	7,511	100.0	100.0	18	100.0	100.0	6,972	100.0	100.0	100.0
Refinance Loans													
Low	2	9.1	4.4	319	4.6	2.8	0	0.0	5.8	0	0.0	4.4	3.8
Moderate	9	40.9	19.4	2,516	36.5	14.8	3	30.0	22.7	312	14.9	18.6	16.5
Middle	2	9.1	41.4	377	5.5	37.4	4	40.0	41.3	600	28.7	40.6	41.5
Upper	9	40.9	34.6	3,687	53.4	44.9	3	30.0	29.8	1180	56.4	35.9	37.5
Unknown	0	0.0	0.2	0	0.0	0.2	0	0.0	0.5	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	22	100.0	100.0	6,899	100.0	100.0	10	100.0	100.0	2,092	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	1.9	0	0.0	1.6	0	0.0	2.5	0	0.0	2.0	3.8
Moderate	0	0.0	10.3	0	0.0	7.2	0	0.0	12.9	0	0.0	9.7	16.5
Middle	2	66.7	35.1	293	77.5	28.8	0	0.0	38.2	0	0.0	30.8	41.5
Upper	1	33.3	52.4	85	22.5	62.3	2	100.0	46.2	500	100.0	57.2	37.5
Unknown	0	0.0	0.3	0	0.0	0.1	0	0.0	0.2	0	0.0	0.2	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	3	100.0	100.0	378	100.0	100.0	2	100.0	100.0	500	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	17.6	0	0.0	4.3	0	0.0	9.3	0	0.0	13.8	14.3
Moderate	0	0.0	40.4	0	0.0	48.7	0	0.0	46.3	0	0.0	42.9	29.2
Middle	1	100.0	19.9	1500	100.0	26.9	0	0.0	14.8	0	0.0	26.3	31.9
Upper	0	0.0	18.4	0	0.0	19.8	0	0.0	29.6	0	0.0	17.0	21.6
Unknown	0	0.0	3.7	0	0.0	0.4	0	0.0	0.0	0	0.0	0.0	2.9
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	1500	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	3	6.5	4.3	427	2.6	3.1	2	6.7	4.5	578	6.0	3.5	3.8
Moderate	10	21.7	19.8	2,776	17.0	18.9	8	26.7	21.2	1415	14.8	18.4	16.5
Middle	11	23.9	38.1	3,575	21.9	33.9	8	26.7	38.4	1695	17.7	35.2	41.5
Upper	22	47.8	37.3	9,510	58.4	43.7	12	40.0	35.7	5,876	61.4	42.7	37.5
Unknown	0	0.0	0.5	0	0.0	0.4	0	0.0	0.3	0	0.0	0.2	0.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	46	100.0	100.0	16,288	100.0	100.0	30	100.0	100.0	9,564	100.0	100.0	100.0
Source: 2023 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 2022 Small Business Lending By Income Level of Geography							
Assessment Area: Richmond, VA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
Low	1	3.8	5.1	234	2.5	7.5	6.0
Moderate	2	7.7	19.1	427	4.5	18.7	19.2
Middle	7	26.9	37.8	1,610	16.9	35.0	38.3
Upper	16	61.5	36.3	7,257	76.2	36.3	34.6
Unknown	0	0.0	1.4	0	0.0	2.2	1.9
Tract-Unk	0	0.0	0.3	0	0.0	0.2	
Total	26	100.0	100.0	9,527	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.							

CRA APPENDIX B

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices, along with deposit and loan volume, by assessment area. The deposit volume is as of June 30, 2023, while the loan volume includes 2022 and 2023 HMDA and 2022 small business loans extended within the bank's assessment areas.

Assessment Area	HMDA/CRA Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Lancaster, VA NonMSA	151	28.1%	\$ 33,087	25.3%	4	23.5%	\$ 328,455	27.7%
Richmond, VA MSA	102	19%	\$ 35,379	27.1%	5	29.4%	\$ 109,265	9.2%
VA Beach-Norfolk-Newport News, VA MSA	284	52.9%	\$ 62,182	47.6%	8	47.1%	\$ 748,407	63.1%
TOTAL	537	100%	\$ 130,648	100%	17	100%	\$ 1,186,127	100%

CRA APPENDIX C

ASSESSMENT AREA DELINEATIONS AND BRANCHING ACTIVITY

Assessment Area Name	City/County	State	Census Tracts Included
Lancaster, VA NonMSA	Lancaster	VA	All
	Middlesex		
	Northumberland		
Richmond, VA MSA	Chesterfield	VA	All
	Henrico		
	Richmond City		
VA Beach-Norfolk-Newport News, VA MSA	Gloucester	VA	All
	James City		
	Mathews		
	York		
	Williamsburg		

Assessment Area	Address	Tract income Level	Opened/Closed
VA Beach-Norfolk-Newport News, VA MSA	11820 Fountain Way Newport News, VA 23606	Mod	LPO: Opened 8/7/2023
Richmond, VA MSA	1600 Wesbrook Parkway, Richmond, VA 23227	Mod	New branch opened 6/12/2023

CRA APPENDIX D

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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