



PUBLIC DISCLOSURE

June 23, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bank

Strasburg, Virginia

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

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

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899428
112 West King Street
Strasburg, VA 22657

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

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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 the bank's size, financial condition, and credit needs of its assessment areas.
- A majority of the institution's Home Mortgage Disclosure Act (HMDA) and small business considered in the evaluation were originated within the bank's assessment areas.
- The bank demonstrated reasonable penetration among individuals of different income (including low- and moderate-income) levels and businesses of different sizes.
- The bank's geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas through the bank's involvement in community development loans, qualified investments, and community development services.
- The institution has not received any complaints regarding its Community Reinvestment Act (CRA) performance since the previous evaluation.

SCOPE OF EXAMINATION

First Bank (FB) was evaluated using the interagency examination procedures for intermediate small banks developed by the Federal Financial Institutions Examination Council (FFIEC). Given its size and branch locations, FB is required to collect and report HMDA data but is not required to collect or report CRA small business data. Consistent with these procedures, all residential mortgage loans reported by the institution in accordance with the HMDA during calendar years 2022 and 2023 were reviewed. Additionally, small business lending is a primary product line and was considered in the evaluation. As such, the universe of small business loans originated by the bank during 2023 were also included in the analysis.

Qualified community development loans and services are considered for activities since the previous evaluation (August 2, 2021). 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 specific assessment areas, the CRA public evaluations of other financial institutions operating in these 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, as well as potential community development opportunities.

Based on the FFIEC's evaluation procedures, ratings are assigned to the institution and are based only on the performance in the assessment areas subject to full-scope review. **Appendix A** contains the loan volume, deposit volume, and branch percentages for the institution and assisted in the determination of the scope for the evaluation.

FB serves nine assessment areas, seven located in the Commonwealth of Virginia and two in the State of North Carolina. Based upon the number of branch locations, loan activity, and the proportion of deposits, full-scope evaluation procedures were applied to the following assessment areas:

- Washington-Baltimore-Arlington, VA
- Harrisonburg-Staunton, VA
- Richmond, VA

Limited scope evaluation procedures were applied as well as a determination made as to whether the performance was consistent with the institution’s full-scope assigned ratings of the following assessment areas:

- Roanoke, VA
- Shenandoah, VA NonMSA
- Prince Edward, VA NonMSA

The remaining three assessment areas resulted from a merger with Touchstone Bank in October 2024. Since these assessment areas did not exist until October 2024, the bank’s performance in these assessment areas was not evaluated during this evaluation.

- Halifax, NC
- Mecklenburg VA NonMSA
- Raleigh-Cary, NC

DESCRIPTION OF INSTITUTION

FB is headquartered in Strasburg, Virginia, and currently operates 33 total branches, 45 automatic teller machines (ATMs), and three loan production offices (LPOs) across central Virginia and the state of North Carolina. Since the previous evaluation, the bank opened one full-service branch, one full service-ATM and one LPO. Additionally, due to the Touchstone merger in 2024, the bank acquired 12 branches, and two LPOs. The bank is wholly owned by First National Corporation, a single bank holding company, also headquartered in Strasburg, Virginia. This evaluation considered only the activities of the bank during the review period and does not include or consider any activities of any affiliates or subsidiaries. The bank’s previous CRA rating, dated August 2, 2021, was Satisfactory. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As of March 31, 2025, FB held assets totaling \$2 billion, of which 70.6% were net loans and 13.2% were securities. As of the same date, deposits totaled \$1.9 billion. Various deposit and loan products are available through the institution, including loans for residential mortgage, consumer, and commercial purposes. The composition of the loan portfolio using gross loans as of March 31, 2025, is represented in the following table.

Composition of Loan Portfolio

Loan Type	3/31/2025	
	\$ (000s)	%
Secured by 1-4 Family dwellings	550,182	37.9
Multifamily	105,980	7.3
Construction and Development	81,597	5.6
Commercial & Industrial/ NonFam NonResidential	678,926	46.8
Consumer Loans and Credit Cards	8,520	0.6
Agricultural Loans/ Farmland	13,172	0.9
All Other	12,254	0.8
Total	1,450,631	100.0

As indicated in the preceding table, FB is an active residential mortgage and commercial/small business lender. Small business loans (i.e. business purpose loans of \$1 million or less) are a subset of commercial and industrial loans. While the bank offers additional products, such as consumer and farm loans, the volume of such lending is limited in comparison to commercial and residential mortgage lending.

As previously noted, FB merged with Touchstone Bank in October 2024. As a result of the merger, FB acquired 12 bank branches and approximately \$560.3 million in assets, \$468.6 million in loans, and \$568.4 million in deposits. Touchstone Bank's branches were located within Halifax NC, Raleigh-Cary, NC, Richmond VA, and Mecklenburg VA. Following its acquisition of Touchstone Bank, FB delineated three new assessment areas and as previously noted, performance in these new assessment areas was not considered, as the loan data included in the evaluation occurred before FB acquired Touchstone Bank. Additionally, FB closed the Harrisonburg LPO during the evaluation period; however, this closure did not affect its assessment area delineations because the bank operates other branches in the assessment area. The following table reflects the current composition of the bank's assessment areas:

Assessment Area Name	County	Census Tracts Included
Washington-Baltimore-Arlington, VA AA	<i>Washington-Arlington-Alexandria, DC-MD-VA-WV CSA:</i> Winchester VA-WV MSA: Frederick County Winchester City Washington-Arlington-Alexandria DC-CA-MD-WV MD: Warren County	All
Richmond, VA AA	Richmond VA MSA: Chesterfield County Henrico County Richmond City	All
Harrisonburg-Staunton, VA AA	Harrisonburg VA MSA: Harrisonburg City Rockingham County Staunton VA MSA: Augusta County	All
Roanoke VA AA	Roanoke VA MSA: Roanoke City Roanoke County Salem City Botetourt County	All
Shenandoah VA NonMSA AA	Shenandoah County	All
Prince Edward VA NonMSA AA	Prince Edward County Buckingham County	All
Raleigh-Cary NC AA	Raleigh-Cary NC MSA: Franklin County Wake County	All
Mecklenburg, VA NonMSA AA	Brunswick County Mecklenburg County	All
Halifax, NC NonMSA AA	Halifax County Vance County Warren County	All

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Overall, the bank is rated “Satisfactory”, with both the Lending and the Community Development Test rated “Satisfactory”. The Lending Test rating considers the bank’s loan-to-deposit ratio, proportion of lending within its combined assessment areas, borrower distribution performance, and geographic distribution performance. 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 lending 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, data from the 2020 ACS data is used when evaluating the bank’s 2022 and 2023 HMDA lending performance. Additionally, Dun and Bradstreet (D&B) business data from 2023 is considered when evaluating the bank’s small business lending performance.

Aggregate loan data is also used as a proxy for demand when evaluating the bank’s HMDA and small business lending performance. Aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA data, respectively, within the bank’s assessment areas. Because FB 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 categories. Performance for the Not Applicable, Other Closed, and Other Line of Credit categories were not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

To evaluate the borrower and geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated or purchased. 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 dollar volume of such loans made in the assessment area. During 2022 and 2023, the bank reported a total of 517 HMDA loans totaling approximately \$125.8 million. Additionally, the bank originated 141 small business loans totaling approximately \$29 million during 2023.

When determining overall conclusions for the institution, the bank’s level of performance in each assessment area is generally weighted by the dollar volume of lending in the assessment area. 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. During the evaluation period, the bank originated a greater dollar volume of lending in the Washington-Baltimore-Arlington, VA assessment area, and this assessment area carries greater weight in the overall conclusions.

Loan-To-Deposit Ratio

The bank’s loan-to-deposit ratio as of March 31, 2025, equaled 77.2% and averaged 72.6% for the preceding 15-quarter period. In comparison, the quarterly average loan-to-deposit ratios for peer banks operating in similar areas to FB ranged from 56.1% to 92.8% during the same 15-quarter period. Since September 30, 2021, FB’s assets, net loans, and deposits have increased by 50.1%, 75.8% and 52.4%, respectively. The bank’s level of lending activity as measured by its loan-to-deposit ratio is considered reasonable given the institution’s size, financial condition, and local credit needs.

Lending in Assessment Areas

To determine the institution’s volume of lending within its assessment areas, the geographic location of FB’s 2022 and 2023 HMDA, and 2023 small business lending, was considered. The lending distribution inside and outside of the bank’s combined 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	138	78.4	37,538	72.9	38	21.6	13,954	27.1
Home Improvement	110	83.3	9,082	74.2	22	16.7	3,152	25.8
Refinancing	138	87.9	26,172	87.0	19	12.1	3,894	13.0
Multi-Family Housing	29	69.0	42,482	81.0	13	31.0	9,980	19.0
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	102	88.7	10,540	87.4	13	11.3	1,518	12.6
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
Total HMDA related	517	83.1	125,814	79.5	105	16.9	32,498	20.5
Small Business	141	57.8	29,024	65.4	103	42.2	15,341	34.6
TOTAL LOANS	658	76.0	154,838	76.4	208	24.0	47,839	23.6

As indicated in the preceding table, a majority of the total number (76%) and dollar amount (76.4%) of loans considered in the evaluation were extended to residents and businesses inside FB'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

FB's borrower distribution performance is considered reasonable overall for the Washington-Baltimore-Arlington, VA, Harrisonburg-Staunton, VA, and Richmond, VA assessment areas. On a combined basis and based on the lending volume and relative strength of performance in each assessment area, FB's overall borrower distribution performance is considered reasonable.

Geographic Distribution of Loans

FB's geographic distribution performance is considered excellent for the Washington-Baltimore-Arlington, VA assessment area, and reasonable overall for the Harrisonburg-Staunton, VA and Richmond, VA assessment areas. On a combined basis and based on the lending volume and relative strength of performance in each assessment area, FB's overall geographic distribution performance is considered reasonable.

Community Development Loans, Investments, and Services

Overall, the bank provides an adequate level of qualified community development activities. 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. FB's support of community development initiatives and organizations within its assessment areas is considered responsive.

During the evaluation period, the bank participated in the following qualified community development activities that benefited multiple assessment areas and/or the larger statewide or regional area:

- Four bond investments totaling approximately \$2.7 million in the Virginia Housing Development Authority (VHDA). The VHDA is a public mortgage lender that serves the housing needs of low- and moderate-income individuals throughout the Commonwealth of Virginia.
- Three first-time homebuyer grants and one low-income community partner grant with the Federal Home Loan Bank of Atlanta (FHLBA) totaling \$57,500. These programs provide home buying financial assistance to qualified low-income individuals.
- Three loans totaling approximately \$8.5 million for affordable housing rental properties.
- Seven donations totaling \$10,646 to financial literacy programs for middle schools where a majority of the children receive free or reduced lunch, Dinwiddie Christmas Sharing Foundation, Blue Ridge Habitat for Humanity, United Way, and Virginia Education Foundation

Seven employees provided community development services that benefited the statewide area. Six of those employees provided financial expertise by serving on the board of directors or a committee for the following organizations:

- Blue Ridge Habitat for Humanity provides affordable housing services for low- and moderate-income individuals in need. Two employees served this organization.
- VBA Education Foundation provides financial literacy readings to title one schools
- Federal Home loan Bank provides affordable housing products and first-time homebuyer grants for low- and moderate-income individuals.
- Richard Bland College Foundation provides need-based scholarships to students enrolling in the community college.
- Christ's Basket provides sleeping bags, food, and tents for the homeless.

Another employee provided a financial literacy presentation for TRIO Student Support Services at Shepard University for low- and moderate-income students.

Details of other activities directly benefiting each assessment area are provided in the respective assessment area discussions.

As previously noted, the bank did not delineate North Carolina as an assessment area until the acquisition of Touchstone Bank in 2024, and this evaluation is based on the bank's delineated assessment areas prior to the merger. In addition to the community development activities noted above, the bank had one bond investment totaling \$500,000 to an affordable housing organization and three donations totaling \$3,117 to organizations that provide community services to low and moderate-income individuals within North Carolina. The bank also made one donation totaling \$1,000 to an organization in Kentucky that provides financial assistance to individuals that were victims of natural disasters. While outside of the bank's assessment areas, due to the adequate level of community development activities in the bank's assessment areas considered within this evaluation, the bank will receive credit for this community development activity at the broader statewide/regional level.

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 WASHINGTON-BALTIMORE ARLINGTON ASSESSMENT AREA

This assessment area is located in northern Virginia and includes contiguous portions of the Winchester, VA-WV MSA and the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (MD). The bank's delineation in the Winchester, VA-WV MSA includes all of the City of Winchester, Frederick County, Virginia, and all of Warren County, Virginia, in the Washington-Arlington-Alexandria, DC-VA-MD-WV MD. The bank's assessment area does not include all of the MSA or the MD. Together, the MSA and MD comprise the Washington-Arlington-Alexandria, DC-MD-VA-WV Combined Statistical Area (CSA). While the CSA is located within a multistate area, the bank's branches and assessment area are located within only the Commonwealth of Virginia, and the assessment area is not a multistate assessment area. The bank operates five branch offices and three full-service ATMs within this assessment area, of which one branch and one drive-thru location are located in low-income census tracts as well as one ATM. One full-service ATM was opened in May 2022.

Based on 2020 ACS data, the assessment area has a population of 160,266 and a median housing value of \$260,210. Within the assessment area, the owner occupancy rate of 64.5%, was slightly higher than the rates for the Commonwealth of Virginia (60%), the Washington-Arlington-Alexandria, DC-VA-MD-WV MD (59.1%) and the Winchester, VA-WV MSA (60.9%). The percentage of families living below the poverty level (5.8%) was lower than the percentage of such families in the Commonwealth of Virginia (6.8%), equal to the Winchester, VA-WV MSA percentage (5.8%) and slightly higher than the percentage in the Washington-Arlington-Alexandria, DC-VA-MD-WV MD (5.2%). The 2022 and 2023 FFIEC estimated median family income for the Washington-Arlington-Alexandria, DC-VA-MD-WV MD equaled \$139,700 and \$150,100, respectively; and the 2022 and 2023 estimated median family income for the Winchester, VA-WV MSA equaled \$96,400 and \$99,900, respectively.

Recent data (June 30, 2024) from the FDIC indicates the bank ranked 4th out of 14 institutions in local deposit market share, holding 10.9% of area deposits (excluding credit union deposits). According to the 2022 aggregate HMDA loan data, the institution ranked 19th out of 342 lenders in reported home mortgage volume, holding 1.3% of area market share. In 2023, the bank ranked 9th out of 313 lenders in reported home mortgage volume of aggregate HMDA loan data, holding 2.2% of the area market share.

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

2023 Washington-Baltimore-Arlington, VA 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	2,760	7.0	533	19.3	8,572	21.8
Moderate	6	17.6	7,445	18.9	601	8.1	7,464	19.0
Middle	17	50.0	20,766	52.8	982	4.7	8,914	22.6
Upper	8	23.5	8,388	21.3	161	1.9	14,409	36.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	34	100.0	39,359	100.0	2,277	5.8	39,359	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	5,871	2,170	5.3	37.0	2,937	50.0	764	13.0
Moderate	11,874	7,974	19.6	67.2	2,726	23.0	1,174	9.9
Middle	32,887	21,221	52.0	64.5	8,553	26.0	3,113	9.5
Upper	12,646	9,418	23.1	74.5	2,405	19.0	823	6.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	63,278	40,783	100.0	64.5	16,621	26.3	5,874	9.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	934	12.2	858	12.1	66	14.2	10	11.6
Moderate	1,167	15.3	1,107	15.6	52	11.2	8	9.3
Middle	4,025	52.8	3,699	52.3	281	60.3	45	52.3
Upper	1,502	19.7	1,412	20.0	67	14.4	23	26.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	7,628	100.0	7,076	100.0	466	100.0	86	100.0
Percentage of Total Businesses:				92.8	6.1	1.1		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	3	1.8	2	1.2	1	50.0	0	0.0
Moderate	26	15.2	26	15.4	0	0.0	0	0.0
Middle	105	61.4	104	61.5	1	50.0	0	0.0
Upper	37	21.6	37	21.9	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	171	100.0	169	100.0	2	100.0	0	0.0
Percentage of Total Farms:				98.8	1.2	0.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Area employment opportunities exist with federal and local government, health services, education, and retail trade. Major area employers include Navy Federal Credit Union, U.S. Department of Homeland Defense, Shenandoah University, Valley Health System, and the Warren County School Board. The following table reflects the average annual unemployment rates for the area.

Washington-Baltimore-Arlington, VA Unemployment Rates					
Area	2020	2021	2022	2023	2024
Frederick County, VA	5.0%	3.0%	2.4%	2.5%	2.6%
Warren County, VA	6.0%	3.5%	2.7%	2.7%	2.7%
Winchester city, VA	6.1%	3.5%	2.6%	2.7%	2.9%
Winchester, VA-WV MSA	5.4%	3.2%	2.5%	2.6%	2.7%
Virginia	6.5%	3.8%	2.7%	2.7%	2.9%

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

As indicated by the data in the table above, the area’s unemployment rates are trending downward and appear to stay consistent from 2022-2024. Overall, unemployment rates within the assessment area are generally consistent with the statewide and MSA unemployment rates.

A local economic development official was recently contacted to discuss area economic conditions and community credit needs. The individual stated that the local economy is stable and that a high demand of small business and female/minority-owned business lending opportunities exist within the local market area. The contact stated that business classes and workforce training are educational resources that low- and moderate-income individuals in the area would benefit from. The official also indicated that area financial institutions are reasonably serving the banking needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank’s Lending Test performance in the Washington-Baltimore-Arlington, VA assessment area is satisfactory. This conclusion is based on an evaluation of the bank’s borrower and geographic distributions of lending while considering its market strategy, area demographic data, and aggregate HMDA and small business loan data. During 2023, the bank originated HMDA (home purchase, refinance, and home improvement) loans totaling \$10.3 million and small business loans totaling \$9.2 million. Accordingly, HMDA lending is given slightly greater weight when evaluating overall lending performance.

The bank’s Community Development Test performance in the Washington-Baltimore-Arlington, VA assessment area is satisfactory, which is based on the volume of community development loans originated or renewed, community development donations, and community development services provided since the previous evaluation, as well as the amount of qualified community development investments held by the bank as of June 23, 2025.

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

FB’s borrower distribution performance is reasonable for HMDA lending and excellent for small business lending. On a combined basis, when considering the relative strength of performance and volume of lending for each loan product, borrower distribution performance for the assessment area is considered reasonable.

HMDA Lending

From a loan category perspective, performance of the bank’s home purchase and refinance lending are both considered reasonable, while home improvement lending is considered excellent. Overall, HMDA lending is considered reasonable and takes into account the larger volume of home purchase and refinance loans.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Washington-Baltimore-Arlington, 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	3	8.1	10.0	420	3.8	6.1	3	21.4	7.1	615	12.9	4.5	21.8
Moderate	3	8.1	21.1	594	5.3	17.5	2	14.3	17.7	360	7.5	14.3	19.0
Middle	7	18.9	19.4	2,277	20.4	19.4	0	0.0	20.6	0	0.0	20.1	22.6
Upper	11	29.7	30.0	4,513	40.4	37.6	7	50.0	29.0	2,946	61.6	35.3	36.6
Unknown	13	35.1	19.4	3,374	30.2	19.4	2	14.3	25.5	862	18.0	25.8	0.0
Total	37	100.0	100.0	11,178	100.0	100.0	14	100.0	100.0	4,783	100.0	100.0	100.0
Refinance Loans													
Low	1	4.5	16.7	204	3.6	11.6	6	27.3	16.2	544	17.6	10.7	21.8
Moderate	7	31.8	24.3	1,700	30.1	21.3	1	4.5	22.2	80	2.6	18.4	19.0
Middle	3	13.6	19.9	387	6.8	20.1	5	22.7	22.4	664	21.5	22.8	22.6
Upper	3	13.6	24.2	791	14.0	31.5	6	27.3	24.6	905	29.3	30.6	36.6
Unknown	8	36.4	15.0	2,574	45.5	15.5	4	18.2	14.5	900	29.1	17.5	0.0
Total	22	100.0	100.0	5,656	100.0	100.0	22	100.0	100.0	3,093	100.0	100.0	100.0
Home Improvement Loans													
Low	1	14.3	8.1	85	18.6	5.0	6	20.0	8.7	415	17.1	6.8	21.8
Moderate	1	14.3	19.0	34	7.4	15.7	6	20.0	22.8	285	11.7	15.5	19.0
Middle	0	0.0	24.9	0	0.0	26.2	10	33.3	24.6	865	35.6	27.0	22.6
Upper	5	71.4	41.1	339	74.0	45.6	8	26.7	37.9	862	35.5	45.3	36.6
Unknown	0	0.0	6.9	0	0.0	7.6	0	0.0	6.1	0	0.0	5.4	0.0
Total	7	100.0	100.0	458	100.0	100.0	30	100.0	100.0	2,427	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	8	10.5	12.0	809	4.5	7.6	17	17.3	9.5	1,634	11.1	5.6	21.8
Moderate	13	17.1	21.7	2,492	13.8	18.4	15	15.3	19.1	1,186	8.0	15.0	19.0
Middle	11	14.5	20.1	2,684	14.9	19.7	21	21.4	21.7	2,024	13.7	20.8	22.6
Upper	23	30.3	29.2	6,103	33.8	36.1	39	39.8	29.1	8,155	55.2	35.1	36.6
Unknown	21	27.6	17.0	5,948	33.0	18.1	6	6.1	20.6	1,762	11.9	23.6	0.0
Total	76	100.0	100.0	18,036	100.0	100.0	98	100.0	100.0	14,761	100.0	100.0	100.0
<i>Source: 2023 FFIEC Census Data</i>													
<i>2016-2020 U.S. Census Bureau: American Community Survey</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>													
<i>Multifamily loans are not included in the borrower distribution analysis.</i>													

Home Purchase

FB’s home purchase lending performance is considered reasonable, driven by the strength of the bank’s lending performance in 2023.

During 2022, the bank’s percentage of loans to low-income borrowers (8.1%) lagged the percentage of area low-income families (21.8%) and the aggregate reporters’ level of lending (10%). FB’s percentage of loans to moderate-income borrowers (8.1%) lagged the percentage of area moderate-income families (19%) and the aggregate lending level (21.1%). The bank’s level of refinance lending during 2022 is considered poor.

In 2023, FB's percentage of loans to low-income borrowers (21.4%) approximated the percentage of area low-income families (21.8%), but it significantly exceeded the aggregate lending level (7.1%). FB's percentage of lending to moderate-income borrowers (14.3%) lagged the percentage of area moderate-income families (19%) and the aggregate lending level (17.7%). The bank's level of home purchase lending during 2023 is considered excellent driven by the strength of the bank's performance in lending to low-income borrowers.

Refinance

FB's refinance lending performance is considered reasonable.

During 2022, the bank's percentage of loans to low-income borrowers (4.5%) lagged the percentage of area low-income families (21.8%) and the aggregate reporters' level of lending (16.7%). FB's percentage of loans to moderate-income borrowers (31.8%) exceeded the percentage of area moderate-income families (19%) and the aggregate lending level (24.3%). The bank's level of refinance lending during 2022 is considered reasonable, and its performance during 2023 is similar.

Home Improvement

FB's home improvement lending performance is considered excellent, driven by the strength of the bank's lending to low-income borrowers and larger dollar volume of home improvement lending during 2023.

During 2022, the bank's percentage of loans to low-income borrowers (14.3%) lagged the percentage of area low-income families (21.8%) but exceeded the aggregate reporters' level of lending (8.1%). FB's percentage of loans to moderate-income borrowers (14.3%) lagged the percentage of area moderate-income families (19%) and the aggregate lending level (19%). The bank's level of home improvement lending during 2022 is considered reasonable, driven by the strength of the bank's performance in lending to low-income borrowers.

In 2023, FB's percentage of loans to low-income borrowers (20%) approximated the percentage of area low-income families (21.8%) but significantly exceeded the aggregate lending level (8.7%). FB's percentage of lending to moderate-income borrowers (20%) approximated the percentage of area moderate-income families (19%) but slightly lagged the aggregate lending level (22.8%). The bank's level of home improvement lending during 2023 is considered excellent, driven by the strength of the bank's performance in lending to low-income borrowers.

Small Business Lending

The bank's 2023 small business loan performance is considered excellent.

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Washington-Baltimore-Arlington, VA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	41	71.9	55.1	5,468	59.3	38.0	92.8
Over \$1 Million	16	28.1		3,760	40.7		6.1
Revenue Unknown	0	0.0		0	0.0		1.1
Total	57	100.0		9,228	100.0		100.0
By Loan Size							
\$100,000 or Less	37	64.9	94.6	1,727	18.7	43.7	
\$100,001 - \$250,000	7	12.3	3.3	1,279	13.9	20.6	
\$250,001 - \$1 Million	13	22.8	2.0	6,222	67.4	35.7	
Total	57	100.0	100.0	9,228	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	29	70.7		1,249	22.8		
\$100,001 - \$250,000	6	14.6		1,079	19.7		
\$250,001 - \$1 Million	6	14.6		3,140	57.4		
Total	41	100.0		5,468	100.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

During 2023, D&B data indicates that 92.8% of all local businesses have revenues of \$1 million per year or less. FB’s level of lending to businesses with annual revenues of \$1 million or less (71.9%) significantly exceeded the aggregate lending level (55.1%) but lagged the percentage of area businesses having revenues of \$1 million or less. The remaining percentage of small business loans reported by the aggregate lenders either had revenue exceeding \$1 million per year or revenues were unknown. With respect to the distribution by loan size, 64.9% of the bank’s small business loans in amounts of \$100,000 or less were compared to aggregate reporters at 94.6%. Overall, the bank’s performance 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

FB’s geographic distribution performance of HMDA lending (home purchase, refinance, and home improvement) and small business lending is considered excellent. Overall, geographic distribution performance for the assessment area is considered excellent.

HMDA Lending

From a loan category perspective, performance of the bank’s home purchase, home improvement and refinance lending are each considered excellent. Performance for the multifamily loan category was not evaluated based on the relatively small volume of such lending in this assessment area.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Washington-Baltimore-Arlington, VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	8	21.6	7.0	1,864	15.7	4.8	4	28.6	6.5	722	15.1	4.7	5.3
Moderate	6	15.2	21.3	1,615	14.4	19.8	3	21.4	18.4	1,093	22.9	17.1	19.6
Middle	21	56.8	50.7	7,129	63.8	51.4	6	42.9	51.5	2,726	57.0	51.7	52.0
Upper	2	5.4	21.0	570	5.1	24.0	1	7.1	23.6	242	5.1	26.5	23.1
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	37	100.0	100.0	11,178	100.0	100.0	14	100.0	100.0	4,783	100.0	100.0	100.0
Refinance Loans													
Low	3	8.6	6.5	1,278	22.6	4.7	1	4.5	7.7	100	3.2	5.6	5.3
Moderate	6	27.3	21.7	1,588	28.1	20.7	5	22.7	23.3	735	23.8	23.4	19.6
Middle	8	36.4	48.4	1,657	29.3	48.8	13	59.1	48.4	1,941	62.8	49.5	52.0
Upper	5	22.7	23.5	1,133	20.0	25.8	3	13.6	20.6	317	10.2	21.4	23.1
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	22	100.0	100.0	5,656	100.0	100.0	22	100.0	100.0	3,093	100.0	100.0	100.0
Home Improvement Loans													
Low	1	14.3	5.0	34	7.4	5.9	5	16.7	5.1	437	18.0	4.5	5.3
Moderate	0	0.0	18.1	0	0.0	17.5	7	23.3	19.7	545	22.5	18.0	19.6
Middle	1	14.3	49.9	46	10.0	48.4	15	50.0	51.9	1,285	52.9	51.5	52.0
Upper	5	71.4	27.1	378	82.5	28.3	3	10.0	23.3	160	6.6	26.0	23.1
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	7	100.0	100.0	458	100.0	100.0	30	100.0	100.0	2,427	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	2	50.0	17.4	1,738	64.1	6.3	1	25.0	16.7	552	26.3	2.5	12.3
Moderate	1	25.0	17.4	757	27.9	6.6	0	0.0	8.3	0	0.0	1.0	11.0
Middle	1	25.0	43.5	216	8.0	66.6	2	50.0	50.0	845	40.3	79.7	64.5
Upper	0	0.0	21.7	0	0.0	20.4	1	25.0	16.7	700	33.4	4.4	12.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	8.3	0	0.0	12.4	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	2,711	100.0	100.0	4	100.0	100.0	2,097	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	15	38.8	6.6	4,954	23.9	4.9	11	10.8	6.5	1,811	10.7	4.7	5.3
Moderate	14	37.5	21.0	4,010	19.3	19.3	21	20.6	19.6	2,753	16.3	17.5	19.6
Middle	38	47.5	50.0	9,627	46.4	51.4	50	49.0	50.8	9,011	53.5	52.3	52.0
Upper	13	33.3	22.4	2,156	10.4	24.4	20	19.6	23.1	3,283	19.5	25.1	23.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.4	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	80	100.0	100.0	20,747	100.0	100.0	102	100.0	100.0	16,858	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

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

During 2022, the bank's level of lending in low-income census tracts (21.6%) significantly exceeded the percentage of owner-occupied housing units (5.3%) and the aggregate reporters' level of lending (7%) within such tracts. On the other hand, FB's level of lending in moderate-income census tracts (16.2%) slightly lagged the percentage of owner-occupied housing units (19.6%) and the aggregate lending level (21.3%) within such tracts. FB's performance during 2022 is considered excellent driven by the strength of the bank's performance in low-income census tracts. The bank's performance in 2023 is substantially similar.

Refinance

The bank's refinance lending performance is considered excellent overall and is driven by the bank's larger volume of lending in 2022.

During 2022, the bank's level of lending in low-income census tracts (13.6%) significantly exceeded the percentage of owner-occupied housing units (5.3%) and the aggregate reporters' level of lending (6.5%) within such tracts. The bank's level of lending in moderate-income census tracts (27.3%) also exceeded the percentage of owner-occupied housing units (19.6%) and the aggregate lending level (21.7%) within such tracts. FB's performance during 2022 is considered excellent.

In 2023, the bank's level of lending in low-income census tracts (4.5%) approximated the percentage of owner-occupied housing units (5.3%) and lagged the aggregate lending level (7.7%) within such tracts. However, the bank's level of lending in moderate-income census tracts (22.7%) exceeded the percentage of owner-occupied housing units (19.6%) and approximated the aggregate lending level (23.3%) within such tracts. FB's level of lending during 2023 is considered reasonable.

Home Improvement

FB's home improvement lending performance is considered excellent, driven by the strength of the bank's lending in low-income tracts.

During 2022, the bank's percentage of loans in low-income census tracts (14.3%) significantly exceeded the percentage of owner-occupied housing units (5.3%) and the aggregate reporters' level of lending (5%). FB's lack of lending in moderate-income census tracts (0%) lagged the percentage of owner-occupied housing units (19.6%) and the aggregate lending level (18.1%). Nonetheless, the bank's level of home improvement lending during 2022 is considered reasonable, driven by the strength of the bank's performance of lending in low-income census tracts.

In 2023, FB's percentage of loans in low-income census tracts (16.7%) significantly exceeded the percentage of owner-occupied housing units (5.3%) and the aggregate lending level (5.1%). FB's percentage of lending in moderate-income census tracts (23.3%) exceeded the percentage of owner-occupied housing units (19.6%) and the aggregate lending level (19.7%). The bank's level of home improvement lending during 2023 is considered excellent.

Small Business Lending

The bank's small business loan performance is considered excellent.

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Washington-Baltimore-Arlington, VA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	10	17.5	8.4	770	8.3	7.7	12.2
Moderate	10	17.5	15.4	1,827	19.8	13.3	15.3
Middle	28	49.1	54.8	5,511	59.7	59.2	52.8
Upper	9	15.8	21.0	1,120	12.1	19.7	19.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.4	0	0.0	0.1	
Total	57	100.0	100.0	9,228	100.0	100.0	100.0

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.

During 2023, the bank’s small business lending in low-income census tracts (17.5%) exceeded the percentage of area businesses (12.2%) and significantly exceeded the aggregate lending level (8.4%) in such tracts. FB’s level of lending in moderate-income census tracts (17.5%) also exceeded the percentage of area businesses (15.3%) and the aggregate reporters’ level of lending (15.4%) in such tracts. The bank’s performance during 2023 is considered excellent, and this conclusion is driven by the performance in low-income tracts.

Community Development Loans, Investments, and Services

The bank’s responsiveness to the community development needs of the assessment area is considered adequate. 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.

As previously noted, the bank holds qualified investments, services, grants, donations, and loans that benefited the bank’s assessment areas and the larger statewide area. FB also supported local community development initiatives directly benefiting this assessment area by providing the following qualified activities:

- Three loans totaling \$5.3 million to organizations that provide community services to low- and moderate-income individuals.
- Four grants totaling \$55,000 with the FHLBA for two first-time homebuyer grants and two community partner grants. These programs provide home buying financial assistance to qualified low-income individuals.
- Thirty-four donations totaling \$27,126 to organizations that provide community services to low- and moderate-income individuals within the assessment area.

Four employees provided community development services that benefited the assessment area. Three of the employees provided financial expertise by serving on the board of directors for the following organizations:

- Congressional Community Project provides services and housing for those experiencing or at risk of homelessness.
- Freemont Street Nursery provides affordable childcare to low- and moderate-income people.
- NW Works provides job training targeted towards low- and moderate-income people.

The other employee provided a financial literacy presentation for John Handley High School, which has the majority of its students receiving free or reduced lunch.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE HARRISONBURG-STAUNTON,
VA ASSESSMENT AREA**

This assessment area is located in northwestern Virginia and includes contiguous portions of the Harrisonburg, VA MSA and the Staunton, VA MSA. The bank’s delineation in the Harrisonburg, VA MSA includes all of the City of Harrisonburg, and Rockingham County, Virginia, and all of Augusta County, Staunton City, and Waynesboro County Virginia, in the Staunton, VA MSA. Together, the two MSAs comprise the Harrisonburg-Staunton-Stuarts Draft, VA CSA. The bank operates three branches with ATMs in this assessment area and one LPO was closed in April 2023 within this assessment area.

Based on 2020 ACS data, the assessment area has a population of 261,004 and a median housing value of \$210,122. Within the assessment area, the owner occupancy rate of 60.4%, was slightly higher than the rates for the Commonwealth of Virginia (60%) and the Harrisonburg, VA MSA (55.6%), but lower than the Staunton, VA MSA rate (65.2%). The percentage of families living below the poverty level (7.3%) was higher than the percentage of such families in the Commonwealth of Virginia (6.8%), equal to the percentage in the Harrisonburg, VA MSA (7.3%), and slightly lower than the percentage in the Staunton, VA MSA (7.4%). The 2022 and 2023 FFIEC estimated median family income for the Harrisonburg, VA MSA equaled \$80,500 and \$95,900, respectively; and the 2022 and 2023 FFIEC estimated median family income for the Staunton, VA MSA equaled \$83,600 and \$92,800, respectively.

Recent data (June 30, 2024) from the FDIC indicates the bank ranked 11th out of 18 institutions in local deposit market share, holding 2.3% of area deposits (excluding credit union deposits). According to the 2022 aggregate HMDA loan data, the institution ranked 41st out of 339 lenders in reported home mortgage volume, holding .4% of the area market share. In 2023, the bank ranked 26th out of 284 lenders in reported home mortgage volume of aggregate HMDA loan data, holding .9% of area market share.

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

2023 Harris onburg-Staunton, 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	12,070	19.1
Moderate	10	15.9	8,841	14.0	1,505	17.0	11,543	18.3
Middle	44	69.8	47,161	74.8	2,812	6.0	14,551	23.1
Upper	9	14.3	7,043	11.2	311	4.4	24,881	39.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	63	100.0	63,045	100.0	4,628	7.3	63,045	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	18,839	7,608	11.6	40.4	9,303	49.4	1,928	10.2
Middle	78,142	49,974	76.1	64.0	20,587	26.3	7,581	9.7
Upper	11,758	8,125	12.4	69.1	2,432	20.7	1,201	10.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	108,739	65,707	100.0	60.4	32,322	29.7	10,710	9.8
	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	1,507	15.0	1,355	14.7	136	19.1	16	18.2
Middle	7,178	71.6	6,639	71.9	480	67.5	59	67.0
Upper	1,345	13.4	1,237	13.4	95	13.4	13	14.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	10,030	100.0	9,231	100.0	711	100.0	88	100.0
Percentage of Total Businesses:				92.0		7.1		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	23	3.0	22	2.9	1	12.5	0	0.0
Middle	676	87.2	669	87.2	7	87.5	0	0.0
Upper	76	9.8	76	9.9	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	775	100.0	767	100.0	8	100.0	0	0.0
Percentage of Total Farms:				99.0		1.0		0.0
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

The assessment area has a diverse mix of employers throughout the region. Manufacturing, retail, food services, local municipalities/government, and health care are the main business sectors. Major employers include Augusta Medical Center, James Madison University, McKee Foods Corporation, Wal-Mart stores, Hershey’s Chocolate of Virginia, Target stores, and local government.

Harrisonburg-Staunton, VA Unemployment Rates					
Area	2020	2021	2022	2023	2024
Augusta County, VA	4.6%	2.9%	2.4%	2.3%	2.5%
Rockingham County, VA	4.8%	2.8%	2.3%	2.3%	2.5%
Harrisonburg city, VA	6.2%	3.7%	3.0%	3.0%	3.3%
Staunton city, VA	6.4%	3.7%	2.6%	2.5%	2.8%
Waynesboro city, VA	6.6%	3.8%	2.6%	2.6%	2.7%
Staunton-Stuarts Draft, VA MSA	5.3%	3.3%	2.5%	2.4%	2.6%
Virginia	6.5%	3.8%	2.7%	2.7%	2.9%

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

As indicated by the data in the table above, the area’s unemployment rates were trending downward from 2020 to 2023, with a slight increase in 2024. Overall, unemployment rates within the assessment area are generally consistent with the statewide and MSA unemployment rates.

A local economic development official was contacted during the evaluation to discuss area economic conditions and community credit needs. The individual contacted stated that the local economy is stable and that small business lending opportunities exist within the local market area. The official indicated that area financial institutions are reasonably serving the banking needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank’s Lending Test performance in the Harrisonburg-Staunton, VA assessment area is satisfactory. This conclusion is based on an evaluation of the bank’s borrower and geographic distributions of lending while considering its market strategy, area demographic data, and aggregate HMDA and small business loan data. During 2023, the bank originated HMDA loans totaling \$8.4 million and small business loans totaling \$6.5 million. Accordingly, HMDA lending is given slightly greater weight when evaluating overall lending performance.

The bank’s Community Development Test performance in the Harrisonburg-Staunton, VA assessment area is satisfactory, which is based on the volume of community development loans originated or renewed, community development donations, and community development services provided since the previous evaluation, as well as the amount of qualified community development investments held by the bank as of June 23, 2025.

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

FB’s borrower distribution performance is poor overall for HMDA and excellent for small business lending. On a combined basis, when considering the relative strength of performance and volume of lending for each loan product, borrower distribution performance for the assessment area is considered reasonable.

HMDA Lending

From a loan category perspective, performance of the bank’s home purchase lending is considered poor, while refinance and home improvement lending are both considered reasonable.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Harrisonburg-Staunton, 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	1	7.7	6.0	139	3.6	3.5	0	0.0	5.4	0	0.0	3.1	19.1
Moderate	1	7.7	22.0	180	4.7	15.9	0	0.0	22.7	0	0.0	17.1	18.3
Middle	0	0.0	22.3	0	0.0	21.1	1	11.1	24.1	339	13.6	23.7	23.1
Upper	3	23.1	30.4	1066	27.8	38.8	1	11.1	25.2	407	16.4	33.3	39.5
Unknown	8	61.5	19.3	2,452	63.9	19.7	7	77.8	22.6	1,743	70.0	22.9	0.0
Total	13	100.0	100.0	3,837	100.0	100.0	9	100.0	100.0	2,489	100.0	100.0	100.0
Refinance Loans													
Low	1	7.7	11.5	47	1.3	6.7	1	12.5	15.8	25	0.9	8.4	19.1
Moderate	3	23.1	24.9	378	10.7	19.6	1	12.5	28.2	80	2.9	22.2	18.3
Middle	1	7.7	23.8	250	7.1	22.5	2	25.0	22.4	580	20.9	22.2	23.1
Upper	5	38.5	25.5	1,729	49.1	32.5	0	0.0	19.0	0	0.0	25.5	39.5
Unknown	3	23.1	14.2	1,117	31.7	18.7	4	50.0	14.7	2,096	75.4	21.7	0.0
Total	13	100.0	100.0	3,521	100.0	100.0	8	100.0	100.0	2,781	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	11.4	0	0.0	7.7	3	16.7	13.9	215	15.9	7.9	19.1
Moderate	0	0.0	22.6	0	0.0	17.6	4	22.2	26.5	250	18.5	19.8	18.3
Middle	2	100.0	28.3	152	100.0	26.1	5	27.8	25.9	300	22.2	24.6	23.1
Upper	0	0.0	35.9	0	0.0	47.2	5	27.8	31.3	439	32.4	43.4	39.5
Unknown	0	0.0	18	0	0.0	14	1	5.6	2.4	150	11.1	4.3	0.0
Total	2	100.0	100.0	152	100.0	100.0	13	100.0	100.0	1,354	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	6.9	8.2	186	2.4	4.6	9	19.6	8.8	419	5.5	4.2	19.1
Moderate	4	13.8	23.1	558	7.3	17.7	8	17.4	24.1	585	7.7	18.0	18.3
Middle	4	13.8	23.5	526	6.9	21.7	8	17.4	24.2	1,219	16.0	23.5	23.1
Upper	8	27.6	30.2	2,795	36.6	37.8	9	19.6	25.7	1,413	18.5	33.0	39.5
Unknown	11	37.9	14.9	3,569	46.8	18.2	12	26.1	17.3	3,989	52.3	21.3	0.0
Total	29	100.0	100.0	7,634	100.0	100.0	46	100.0	100.0	7,625	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

The bank’s home purchase lending performance is considered poor overall and gives greater weight to the larger dollar volume of lending during 2022.

During 2022, the bank’s level of lending to low-income borrowers (7.7%) lagged the percentage of area low-income families (19.1%) and approximated the aggregate reporters’ level of lending (6%) within such tracts. The bank’s level of lending to moderate-income borrowers (7.7%) substantially lagged the percentage of area moderate-income families (18.3%) and the aggregate lending level (22%) within such tracts. FB’s performance during 2022 is considered poor.

In 2023, the bank's lack of lending to low-income borrowers (0%) significantly lagged the percentage of area low-income families (19.1%) and the aggregate reporters' level of lending (5.4%) within such tracts. The bank's lack of lending to moderate-income borrowers (0%) significantly lagged the percentage of area moderate-income families (18.3%) and the aggregate lending level (22.7%) within such tracts. FB's performance during 2023 is considered very poor.

Refinance

The bank's refinance lending performance is considered reasonable driven by the strength of the bank's lending to moderate-income borrowers in 2022.

During 2022, the bank's level of lending to low-income borrowers (7.7%) lagged the percentage of area low-income families (19.1%) and the aggregate reporters' level of lending (11.5%) within such tracts. The bank's level of lending to moderate-income borrowers (23.1%) exceeded the percentage of area moderate-income families (18.3%) and approximated the aggregate lending level (24.9%) within such tracts. FB's performance during 2022 is considered reasonable, driven by the strength of the bank's lending to moderate-income borrowers.

In 2023, the bank's level of lending to low-income borrowers (12.5%) lagged the percentage of area low-income families (19.1%) and the aggregate lending level (15.8%) within such tracts. The bank's level of lending to moderate-income borrowers (12.5%) lagged the percentage of area moderate-income families (18.3%) and significantly lagged the aggregate lending level (28.9%) within such tracts. FB's level of lending during 2023 is considered poor.

Home Improvement

FB's home improvement lending performance is considered reasonable, driven by the strength of the bank's performance and significantly larger dollar volume of lending in 2023.

During 2022, the bank's percentage of home improvement loans to low-income borrowers (0%) significantly lagged the percentage of area low-income families (19.1%) and the aggregate reporters' level of lending (11.4%). FB's percentage of loans to moderate-income borrowers (0.0%) significantly lagged the percentage of area moderate-income families (18.3%) and the aggregate lending level (22.6%). The bank's level of home improvement lending to low- and moderate-income borrowers during 2022 is considered very poor.

In 2023, FB's percentage of loans to low-income borrowers (16.7%) lagged the percentage of area low-income families (19.1%) but exceeded the aggregate lending level (13.9%). FB's percentage of lending to moderate-income borrowers (22.2%) exceeded the percentage of area moderate-income families (18.3%) but lagged the aggregate lending level (26.5%). The bank's level of home improvement lending to low- and moderate-income borrowers during 2023 is considered reasonable.

Small Business Lending

The bank's small business loan performance is considered excellent.

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Harrisonburg-Staunton, VA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	28	87.5	62.4	5,820	90.2	44.6	92.0
Over \$1 Million	4	12.5		631	9.8		7.1
Revenue Unknown	0	0.0		0	0.0		0.9
Total	32	100.0		6,450	100.0		100.0
By Loan Size							
\$100,000 or Less	14	43.8	94.8	785	12.2	43.7	
\$100,001 - \$250,000	10	31.3	2.9	1,927	29.9	16.1	
\$250,001 - \$1 Million	8	25.0	2.2	3,739	58.0	40.2	
Total	32	100.0	100.0	6,450	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	12	42.9		654	11.2		
\$100,001 - \$250,000	8	28.6		1,427	24.5		
\$250,001 - \$1 Million	8	28.6		3,739	64.2		
Total	28	100.0		5,820	100.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

During 2023, D&B data indicates that 92% of all local businesses have revenues of \$1 million per year or less. FB’s level of lending to businesses with annual revenues of \$1 million or less (87.5%) significantly exceeded the aggregate lending level (62.4%) but lagged the percentage of area businesses having revenues of \$1 million or less (92%). The remaining percentage of small business loans reported by the aggregate lenders either had revenue exceeding \$1 million per year or revenues were unknown. With respect to the distribution by loan size, 43.8% of the bank’s small business loans, in amounts of \$100,000 or less, were compared to aggregate reporters at 94.8%. Overall, the bank’s performance 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

There are no low-income census tracts in the assessment area and performance conclusions are based on FB’s lending in moderate-income census tracts. FB’s geographic distribution performance is reasonable overall and for both HMDA and small business lending.

HMDA Lending

From a loan category perspective, FB’s performance of home purchase lending is considered very poor, refinance and home improvement lending are each considered reasonable and multifamily lending is considered excellent.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Harrisonburg-Staunton, VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	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	1	7.7	16.2	255	6.6	13.5	0	0.0	18.6	0	0.0	16.0	11.6
Middle	10	76.9	71.4	2,950	76.9	71.7	8	88.9	68.6	2,215	89.0	68.8	76.1
Upper	2	15.4	12.4	632	16.5	14.8	1	11.1	12.9	274	11.0	15.1	12.4
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	13	100.0	100.0	3,837	100.0	100.0	9	100.0	100.0	2,489	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	0	0.0	11.2	0	0.0	10.5	2	25.0	12.9	670	24.1	12.2	11.6
Middle	12	92.3	74.6	3,235	91.9	72.9	5	62.5	73.8	1,731	62.2	71.1	76.1
Upper	1	7.7	14.2	286	8.1	16.6	1	12.5	13.3	380	13.7	16.7	12.4
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	13	100.0	100.0	3,521	100.0	100.0	8	100.0	100.0	2,781	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	8.9	0	0.0	7.3	2	11.1	11.6	165	12.2	8.9	11.6
Middle	2	100.0	78.8	152	100.0	78.3	12	66.7	75.3	981	72.5	74.0	76.1
Upper	0	0.0	12.3	0	0.0	14.4	4	22.2	13.1	208	15.4	17.1	12.4
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	152	100.0	100.0	16	100.0	100.0	1,354	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	3	50.0	28.9	6,353	70.2	25.4	1	50.0	26.7	475	61.3	7.8	38.6
Middle	3	50.0	55.6	2,701	29.8	47.8	0	0.0	53.3	0	0.0	71.1	56.8
Upper	0	0.0	15.6	0	0.0	26.8	1	50.0	6.7	300	38.7	0.5	4.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	13.3	0	0.0	20.7	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	6	100.0	100.0	9,054	100.0	100.0	2	100.0	100.0	775	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	0.0	0.0	0	0.0	0.0	0.0
Moderate	4	11.4	14.0	6,608	39.6	13.0	5	10.4	16.0	1,310	15.6	14.6	11.6
Middle	28	80.0	73.1	9,162	54.9	71.2	36	75.0	70.8	5,928	70.6	69.6	76.1
Upper	3	8.6	13.0	918	5.5	15.7	7	14.6	13.1	1,162	13.8	14.7	12.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	11	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	35	100.0	100.0	15,688	100.0	100.0	48	100.0	100.0	8,400	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

The bank's home purchase lending performance is considered very poor overall and gives slightly greater weight to home purchase lending during 2022 because of the larger dollar volume of lending.

During 2022, the bank's level of lending in moderate-income census tracts (7.7%) lagged the percentage of owner-occupied housing units (11.6%) and the aggregate lending level (16.2%) within such tracts. FB's level of home improvement lending during 2022 is considered poor.

In 2023, the bank's lack of lending in moderate-income census tracts (0%) significantly lagged the percentage of owner-occupied housing units (11.6%) and the aggregate lending level (18.6%) within such tracts. FB's level of home improvement lending during 2023 is considered very poor.

Refinance

The bank's refinance lending performance is considered reasonable, driven by the strength of the bank's lending performance in 2023.

During 2022, the bank's lack of lending in moderate-income census tracts (0%) significantly lagged the percentage of owner-occupied housing units (11.6%) and the aggregate lending level (11.2%) within such tracts. The bank's level of refinance lending during 2022 is considered very poor.

In 2023, the bank's level of lending in moderate-income census tracts (25%) significantly exceeded the percentage of owner-occupied housing units (11.6%) and the aggregate lending level (12.9%) within such tracts. The bank's level of refinance lending during 2023 is considered excellent.

Home Improvement

FB's home improvement lending performance is considered reasonable, driven by the strength of the bank's lending in 2023.

During 2022, the bank's lack of lending in moderate-income census tracts (0%) significantly lagged the percentage of owner-occupied housing units (11.6%) and the aggregate lending level (8.9%). Overall, FB's level of home improvement lending in moderate-income census tracts during 2022 is considered very poor.

In 2023, the bank's percentage of lending in moderate-income census tracts (11.1%) approximated the percentage of owner-occupied housing units (11.6%) and the aggregate lending level (11.6%). Overall, FB's level of home improvement lending in moderate-income census tracts during 2023 is considered reasonable.

Multifamily

FB's multifamily lending performance is considered excellent.

During 2022, the bank's percentage of multifamily loans in moderate-income census tracts (50%) significantly exceeded the percentage of multifamily units in the assessment area (38.6%) and the aggregate lending level (28.9%). Overall, the bank's level of multifamily lending in moderate-income census tracts during 2022 is considered excellent, and the bank's performance in 2023 is substantially similar.

Small Business Lending

The bank's small business loan performance is considered reasonable.

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Harrisonburg-Staunton, 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	5	15.6	14.4	666	10.3	16.1	15.0
Middle	16	50.0	69.7	3,130	48.5	68.1	71.6
Upper	11	34.4	15.0	2,654	41.1	15.6	13.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.9	0	0.0	0.2	
Total	32	100.0	100.0	6,450	100.0	100.0	100.0

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.

During 2023, the bank’s percentage of small business lending in moderate-income census tracts (15.6%) approximated the percentage of area businesses (15%) and the aggregate reporters’ level of lending (14.4%) in such tracts. Overall, the bank’s performance is considered reasonable.

Community Development Loans, Investments, and Services

The bank’s responsiveness to the community development needs of the assessment area is considered adequate. 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.

As previously noted, the bank holds qualified investments, services, grants, donations, and loans that benefited the bank’s assessment areas and the larger statewide area. FB also supported local community development initiatives directly benefiting this assessment area by providing the following qualified activities:

- One loan totaling \$645,000 to a company that provides affordable housing to qualified low- and moderate-income individuals.
- Twelve donations totaling \$6,375 to organizations that provide community services to low- and moderate-income individuals within the assessment area.

One employee served on the board for Valley Supportive Housing, an organization providing affordable housing resources within the assessment area.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE RICHMOND, VA ASSESSMENT AREA

This assessment area is located in central eastern Virginia and includes portions of the Richmond, VA MSA. The bank’s delineation in the Richmond VA MSA includes all of Chesterfield County, Henrico County, and the City of Richmond. The bank operates eight branches in this assessment area. One branch was in the assessment area prior to the Touchstone Bank merger in October 2024, consequently this analysis is based off of the lending from that branch in this assessment area.

Based on 2020 ACS data, the assessment area has a population of 925,547 and a median housing value of \$251,798. Within the assessment area, the owner occupancy rate of 59.4%, was lower than the rates for the Commonwealth of Virginia (60%) and the Richmond, VA MSA (61.8%). The percentage of families living below the poverty level (6.9%) approximates the percentage of such families in the Commonwealth of Virginia (6.8%) and the Richmond, VA MSA (6.8%). The 2022 and 2023 FFIEC estimated median family income for the Richmond VA MSA equaled \$101,100 and \$109,100, respectively.

According to the 2022 aggregate HMDA loan data, the institution ranked 100th out of 561 lenders in reported home mortgage volume, holding .09% of the area market share. In 2023, the bank ranked 86th out of 511 lenders in reported home mortgage lending of aggregate HMDA data , holding .1% of the area market share.

The following table provides pertinent demographic data for the 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
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

The assessment area has a diverse mix of employers throughout the region. In addition to local municipalities/government, health care, food services, professional and technical services, administrative, transportation, and construction are the main business sectors. Major area employers include MCV Hospital, Virginia Commonwealth University, Richmond City Public Schools, and the City of Richmond. The following table reflects the average annual unemployment rates for the area.

Richmond, VA Unemployment Rates					
Area	2020	2021	2022	2023	2024
Chesterfield County, VA	6.1%	3.6%	2.7%	2.7%	2.8%
Dinwiddie County, VA	6.4%	4.3%	3.0%	3.0%	3.1%
Henrico County, VA	6.8%	3.9%	2.7%	2.8%	2.9%
Prince George County, VA	5.9%	3.9%	2.7%	2.6%	2.8%
Colonial Heights city, VA	7.0%	4.4%	2.9%	2.8%	3.1%
Hopewell city, VA	10.7%	6.8%	4.1%	4.1%	4.2%
Petersburg city, VA	12.8%	8.7%	4.7%	4.5%	4.8%
Richmond city, VA	8.6%	5.0%	3.0%	3.1%	3.2%
Richmond, VA MSA	6.8%	4.0%	2.8%	2.8%	3.0%
Virginia	6.5%	3.8%	2.7%	2.7%	2.9%

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

As indicated by the data in the table above, the area’s unemployment rates are trending downward from 2020-2023, with a slight increase in 2024. Overall, unemployment rates within the assessment area are generally consistent with the statewide and MSA unemployment rates.

A local affordable housing official was contacted recently to discuss area economic conditions and community credit needs. The individual contacted stated that the local economy is stable and that affordable housing lending opportunities exist within the local market area. The contact stated that the affordable housing demand exceeds the number of resources available, but that financial institutions can assist through financial literacy education, donations, and grants. The official also indicated that area financial institutions are reasonably serving the banking needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank’s Lending Test performance in the Richmond, VA assessment area is satisfactory. This conclusion is based on an evaluation of the bank’s borrower and geographic distributions of lending while considering its market strategy, area demographic data, and aggregate HMDA and small business loan data. Within the assessment area during 2023, the bank originated HMDA loans totaling \$4.2 million and small business loans totaling \$8.4 million. Accordingly, the small business loans carry more weight when evaluating overall lending performance.

The bank’s Community Development Test performance in the Richmond, VA assessment area is satisfactory, which is based on the volume of community development loans originated or renewed, community development donations, and community development services provided since the previous evaluation, as well as the amount of qualified community development investments held by the bank as of June 23, 2025.

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

FB’s borrower distribution performance is considered very poor for HMDA lending and excellent for small business lending. On a combined basis, when considering the relative strength of performance and volume of lending for each loan product, borrower distribution performance for the assessment area is considered reasonable.

HMDA Lending

From a loan category perspective, performance of the bank’s home purchase and refinance lending are both considered very poor, while home improvement lending is considered poor.

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	4.7	0	0.0	5.9	0	0.0	3.1	20.9
Moderate	0	0.0	21.7	0	0.0	16.2	0	0.0	21.0	0	0.0	15.1	18.1
Middle	0	0.0	22.0	0	0.0	20.9	0	0.0	20.9	0	0.0	19.5	20.1
Upper	2	28.6	31.5	1212	59.3	41.2	1	20.0	32.3	637	44.4	41.9	40.8
Unknown	5	71.4	17.7	832	40.7	17.6	4	80.0	19.9	798	55.6	20.3	0.0
Total	7	100.0	100.0	2,044	100.0	100.0	5	100.0	100.0	1,435	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	14.6	0	0.0	9.7	0	0.0	14.9	0	0.0	9.7	20.9
Moderate	0	0.0	24.9	0	0.0	20.7	2	50.0	25.2	328	51.3	21.7	18.1
Middle	0	0.0	20.0	0	0.0	19.8	0	0.0	21.1	0	0.0	21.0	20.1
Upper	2	14.3	24.8	700	22.3	33.5	2	50.0	22.1	311	48.7	27.0	40.8
Unknown	12	85.7	15.8	2,433	77.7	17.0	0	0.0	16.7	0	0.0	20.7	0.0
Total	14	100.0	100.0	3,133	100.0	100.0	4	100.0	100.0	639	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	0	0.0	18.9	0	0.0	12.7	5	33.3	21.9	343	23.3	14.6	18.1
Middle	0	0.0	24.9	0	0.0	19.8	3	20.0	25.0	218	14.8	21.4	20.1
Upper	0	0.0	47.1	0	0.0	60.2	6	40.0	41.4	694	47.2	54.5	40.8
Unknown	0	0.0	2.8	0	0.0	3.0	1	6.7	3.8	216	14.7	4.6	0.0
Total	0	0.0	100.0	0	0.0	100.0	15	100.0	100.0	1,471	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	0	0.0	9.4	0	0.0	5.4	3	9.4	7.8	234	5.6	4.1	20.9
Moderate	0	0.0	22.1	0	0.0	17.7	9	28.1	21.8	751	17.9	16.0	18.1
Middle	1	4.2	21.4	18	0.3	20.4	3	9.4	21.6	218	5.2	19.7	20.1
Upper	6	25.0	30.9	2,052	38.5	40.0	12	37.5	31.5	1,971	47.1	40.5	40.8
Unknown	17	70.8	16.2	3,265	61.2	17.7	5	15.6	17.3	1,014	24.2	19.7	0.0
Total	24	100.0	100.0	5,335	100.0	100.0	32	100.0	100.0	4,188	100.0	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</i>													

Home Purchase

The bank's home purchase lending performance is considered very poor.

During 2022, the bank's lack of lending to low-income borrowers (0%) significantly lagged the percentage of area low-income families (20.9%) and the aggregate reporters' level of lending (7.1%) to such borrowers. Similarly, FB's lack of lending to moderate-income borrowers (0%) significantly lagged the percentage of area moderate-income families (18.1%) and the aggregate lending level (21.7%) to moderate-income borrowers. Overall, the bank's level of home purchase lending to low- and moderate-income borrowers during 2022 is considered very poor and performance in 2023 was substantially similar.

Refinance

The bank's refinance lending performance is considered very poor, driven by the impact of the bank's significantly larger dollar volume and performance during 2022.

During 2022, the bank's lack of lending to low-income borrowers (0%) significantly lagged the percentage of area low-income families (20.9%) and the aggregate reporters' level of lending (14.6%). The bank's lack of lending to moderate-income borrowers (0%) significantly lagged the percentage of area moderate-income families (18.1%) and the aggregate lending level (24.9%). Overall, the bank's level of refinance lending during 2022 is considered very poor.

During 2023, the bank's lack of lending to low-income borrowers (0%) significantly lagged the percentage of area low-income families (20.9%) and the aggregate lending level (14.9%). However, the bank's level of lending to moderate-income borrowers (50%) significantly exceeded the percentage of area moderate-income families (18.1%) and the aggregate lending level (25.2%). Overall, the bank's level of refinance lending to low- and moderate-income borrowers during 2023 is considered reasonable and is driven by the strength of its lending to moderate-income borrowers.

Home Improvement

FB's home improvement lending performance is considered poor, driven by the absence of lending to low- and moderate-income borrowers in 2022, and absence of lending to low-income borrowers in 2023.

During 2022, FB did not extend any home-improvement loans; however, the demographic and aggregate data indicate that there is opportunity to make such loans to borrowers within the assessment area. The bank's lack of lending to low-income borrowers (0%) significantly lagged the percentage of area low-income families (20.9%) and the aggregate reporters' level of lending (6.4%). FB's lack of lending to moderate-income borrowers (0%) also significantly lagged the percentage of area moderate-income families (18.1%) and the aggregate lending level (18.9%). The bank's lack of home improvement lending to borrowers in its assessment area during 2022 is considered very poor.

During 2023, FB's lack of lending to low-income borrowers (0%) significantly lagged the percentage of area low-income families (20.9%) and the aggregate lending level (7.8%). FB's percentage of lending to moderate-income borrowers (33.3%) significantly exceeded the percentage of area moderate-income families (18.1%) and the aggregate lending level (21.9%). Overall, the bank's level of home improvement lending to low- and moderate-income borrowers during 2023 is considered reasonable, driven by the strength of the bank's lending to moderate-income borrowers.

Small Business Lending

The bank's 2023 small business loan performance is considered excellent.

Distribution of 2023 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	19	76.0	53.6	5,457	64.7	30.5	92.7
Over \$1 Million	6	24.0		2,976	35.3		6.5
Revenue Unknown	0	0.0		0	0.0		0.8
Total	25	100.0		8,432	100.0		100.0
By Loan Size							
\$100,000 or Less	5	20.0	95.3	249	3.0	43.1	
\$100,001 - \$250,000	9	36.0	2.3	1,945	23.1	12.9	
\$250,001 - \$1 Million	11	44.0	2.5	6,238	74.0	44.0	
Total	25	100.0	100.0	8,432	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	5	26.3		249	4.6		
\$100,001 - \$250,000	7	36.8		1,445	26.5		
\$250,001 - \$1 Million	7	36.8		3,763	69.0		
Total	19	100.0		5,457	100.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

During 2023, the bank’s level of lending to businesses with annual revenues of \$1 million or less during 2023 (76%) lagged the percentage of area businesses having revenues of \$1 million or less (92.7%); however, FB’s level of lending significantly exceeded the aggregate lending level (53.6%). The remaining percentage of small business loans reported by the aggregate lenders either had revenue exceeding \$1 million per year or revenues were unknown. With respect to the distribution by loan size, 20% of the bank’s small business loans during 2023 were in amounts of \$100,000 or less compared to 95.3% of such lending by aggregate reporters. Overall, the bank’s performance 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

FB’s geographic distribution performance is reasonable for HMDA lending and poor for small business lending. On a combined basis, when considering the relative strength of performance and volume of lending for each loan product, the geographic distribution performance for the assessment area is considered reasonable.

HMDA Lending

From a loan category perspective, performance of the bank’s home purchase lending is considered excellent, multifamily and refinance are each considered reasonable, while home improvement lending is considered poor. Overall, HMDA lending is considered reasonable.

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		
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	4.6	0	0.0	3.1	0	0.0	4.6	0	0.0	2.9	3.8
Moderate	5	71.4	21.6	1057	51.7	16.4	1	20.0	22.7	253	17.6	17.5	16.5
Middle	1	14.3	37.3	113	5.5	34.2	4	80.0	37.6	1182	82.4	35.3	41.5
Upper	1	14.3	36.0	874	42.8	45.8	0	0.0	34.8	0	0.0	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	7	100.0	100.0	2,044	100.0	100.0	5	100.0	100.0	1,435	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	4.4	0	0.0	2.8	0	0.0	5.8	0	0.0	4.4	3.8
Moderate	3	21.4	19.4	386	12.3	14.8	0	0.0	22.7	0	0.0	18.7	16.5
Middle	7	50.0	41.4	1,462	46.7	37.4	2	50.0	41.3	328	51.3	40.6	41.5
Upper	4	28.6	34.6	1,285	41.0	44.9	2	50.0	29.8	311	48.7	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	14	100.0	100.0	3,133	100.0	100.0	4	100.0	100.0	639	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	19	0	0.0	16	0	0.0	2.5	0	0.0	2.0	3.8
Moderate	0	0.0	10.3	0	0.0	7.2	2	13.3	12.9	129	8.8	9.7	16.5
Middle	0	0.0	35.0	0	0.0	28.8	5	33.3	38.2	403	27.4	30.8	41.5
Upper	0	0.0	52.4	0	0.0	62.4	8	53.3	46.2	939	63.8	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	0	0.0	100.0	0	0.0	100.0	15	100.0	100.0	1,471	100.0	100.0	100.0
Multifamily Loans													
Low	2	25.0	17.6	2,846	15.8	4.3	0	0.0	9.3	0	0.0	13.8	14.3
Moderate	4	50.0	40.4	10,301	57.1	48.7	0	0.0	46.3	0	0.0	42.9	29.2
Middle	1	12.5	19.9	2,000	11.1	26.9	0	0.0	14.8	0	0.0	26.3	31.9
Upper	1	12.5	18.4	2,880	16.0	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	8	100.0	100.0	18,027	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	6.3	4.3	2,846	12.2	3.1	0	0.0	4.5	0	0.0	3.5	3.8
Moderate	12	37.5	19.8	11,744	50.3	18.9	3	9.4	21.2	382	9.1	18.4	16.5
Middle	10	31.3	38.1	3,635	15.6	33.9	13	40.6	38.4	2,122	50.7	35.3	41.5
Upper	8	25.0	37.3	5,137	22.0	43.7	16	50.0	35.6	1,684	40.2	42.6	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	32	100.0	100.0	23,362	100.0	100.0	32	100.0	100.0	4,188	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

The bank's home purchase lending performance is considered excellent during 2022 and reasonable during 2023. Overall, home purchase lending is considered excellent, driven by the strength of the bank's lending in moderate-income census tracts during 2022.

During 2022, the bank's lack of lending in low-income census tracts (0%) lagged the percentage of owner-occupied housing units (3.8%) and the aggregate lending level (4.6%) within such tracts. Conversely, FB's level of lending in moderate-income census tracts (71.4%) significantly exceeded the percentage of owner-occupied housing units (16.5%) and the aggregate lending level (21.6%) within such tracts. The bank's level of home purchase lending during 2022 is considered excellent, driven by the strength of the bank's lending in moderate-income census tracts.

In 2023, the bank's lack of lending in low-income census tracts (0%) lagged the percentage of owner-occupied housing units (3.8%) and the aggregate reporters' level of lending (4.6%) within such tracts. On the other hand, FB's level of lending in moderate-income census tracts (20%) exceeded the percentage of owner-occupied housing units (16.5%) but slightly lagged the aggregate lending level (22.7%) within such tracts. The bank's level of home purchase lending during 2023 is considered reasonable, driven by the strength of the bank's lending in moderate-income census tracts.

Refinance

The bank's refinance lending performance is considered reasonable during 2022 and very poor during 2023. Overall, the bank's refinance lending performance is considered reasonable, driven by the impact of bank's performance in 2022 and the considerably larger volume of lending.

During 2022, the bank's lack of lending in low-income census tracts (0%) lagged the percentage of owner-occupied housing units (3.8%) and the aggregate reporters' level of lending (4.4%) within such tracts. FB's level of lending in moderate-income census tracts (21.4%) exceeded the percentage of owner-occupied housing units (16.5%) and the aggregate lending level (19.4%) within such tracts. The bank's level of refinance lending in low- and moderate-income census tracts during 2022 is considered reasonable, driven by the bank's performance in moderate-income census tracts.

In 2023, FB did not extend any refinance loans in low- or moderate-income census tracts. The bank's lack of lending in low-income census tracts (0%) lagged the percentage of owner-occupied housing units (3.8%) and the aggregate lending level (5.8%) within such tracts. FB's lack of lending in moderate-income census tracts (0%) also significantly lagged the percentage of owner-occupied housing units (16.5%) and the aggregate lending level (22.7%) within such tracts. The bank's level of refinance lending during 2023 is considered very poor.

Home Improvement

FB's home improvement lending performance is considered poor, driven by the absence of lending in low- and moderate-income census tracts in 2022, and absence of lending in low-income tracts in 2023.

During 2022, FB did not extend any home improvement loans when the demographic and aggregate data indicate that there is opportunity to make such loans. The bank's lack of lending in low-income tracts (0%) lagged the percentage of owner-occupied housing units (3.8%) and the aggregate reporters' level of lending (1.9%) in such tracts. FB's lack of lending in moderate-income census tracts (0%) also lagged the percentage of owner-occupied housing units (16.5%) and the aggregate lending level (10.3%). The bank's lack of home improvement lending in its assessment area during 2022 is considered very poor.

In 2023, FB's percentage of loans in low-income census tracts (0%) lagged the percentage of owner-occupied housing units (3.8%) and the aggregate lending level (2.5%). FB's percentage of lending in moderate-income census tracts (13.3%) lagged the percentage of owner-occupied housing units (16.5%) and was similar to the aggregate lending level (12.9%) in such tracts. The bank's level of home improvement lending during 2023 is considered reasonable, driven by the strength of the bank's lending in moderate-income census tracts.

Multifamily

FB’s multifamily lending performance is considered reasonable, driven by the strong impact of the bank’s performance in 2022 but also considering the lack of multifamily lending in 2023.

During 2022, the bank’s percentage of multifamily loans in low-income census tracts (25%) significantly exceeded the percentage of multifamily units in the assessment area (14.3%) and the aggregate reporters’ level of lending (17.6%). FB’s percentage of loans in moderate-income tracts (50%) significantly exceeded the percentage of multifamily units (29.2%) in the assessment area and the aggregate lending level (40.4%). The bank’s level of multifamily lending during 2022 is considered excellent.

In 2023, FB did not extend any multifamily loans when the demographic and aggregate data indicate that there is opportunity to make such loans within the assessment area. The bank’s lack of multifamily lending in low-income census tracts (0%) significantly lagged the percentage of multifamily units (14.3%) and the aggregate lending level (9.3%). FB’s lack of multifamily lending in moderate-income census tracts (0%) also significantly lagged the percentage of multifamily units (29.2%) and the aggregate lending level (46.3%). Overall, the bank’s lack of multifamily lending during 2023 within its assessment area is considered very poor.

Small Business Lending

The bank’s small business loan performance is considered poor.

Distribution of 2023 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	0	0.0	4.9	0	0.0	5.9	6.0
Moderate	2	8.0	18.0	1,000	11.9	22.7	19.0
Middle	11	44.0	37.0	4,116	48.8	35.5	38.4
Upper	12	48.0	38.3	3,316	39.3	33.9	34.7
Unknown	0	0.0	1.7	0	0.0	2.0	1.9
Tract-Unk	0	0.0	0.2	0	0.0	0.1	
Total	25	100.0	100.0	8,432	100.0	100.0	100.0

*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.

During 2023, the bank’s lack of small business lending in low-income census tracts (0%) significantly lagged the percentage of area businesses (6%) and the aggregate reporters’ level of lending (4.9%) in such tracts. FB’s level of lending in moderate-income census tracts (8%) also lagged the percentage of area businesses (19%) and the aggregate reporters’ level of lending (18%) in such tracts. The bank’s performance during 2023 is considered poor.

Community Development Loans, Investments, and Services

The bank’s responsiveness to the community development needs of the assessment area is considered adequate. 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.

As previously noted, the bank holds qualified investments, services, grants, donations, and loans that benefited the bank's assessment areas and the larger statewide area. FB also supported local community development initiatives directly benefiting this assessment area by providing the following qualified activities:

- One grant totaling \$12,500 to a first-time homebuyer with the FHLBA totaling \$12,500. This program provides home buying financial assistance to qualified low-income individuals.
- Six donations totaling \$23,277 to organizations that provide community services to low- and moderate-income individuals within the assessment area.

An employee served on the board for Chesterfield Food Bank Outreach Center, an organization providing food insecurity resources within the assessment area. Another employee served on the board for The Cameron Foundation, an organization that provides health services to the poor, underinsured, and uninsured within the assessment area.

METROPOLITAN AREAS

(For each metropolitan area reviewed using limited-scope review)

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

Certain assessment areas, which are noted in the table below, were reviewed using the limited review examination procedures. Information detailing the composition of the assessment areas, including selected demographic data, is included in **APPENDIX B** of this report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

A conclusion regarding performance, which did not impact the institution’s overall rating, is 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 overall rating.

Assessment Area	Lending Test	Community Development Test
Roanoke, VA	Below	Consistent

NONMETROPOLITAN STATEWIDE AREA
(For each nonmetropolitan area reviewed using limited-scope review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN STATEWIDE AREA

Certain assessment areas, which are noted in the table below, were reviewed using the limited review examination procedures. Information detailing the composition of the assessment areas, including selected demographic data, is included in **APPENDIX B** of this report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATEWIDE NONMETROPOLITAN ASSESSMENT AREAS

Facts and data reviewed for each assessment area, including performance and demographic information, can be found in **APPENDIX B** of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. The conclusion conveys whether performance in an assessment area was below, consistent with, or exceeded the institution's overall rating.

Assessment Area	Lending Test	Community Development Test
Prince Edward, VA NonMSA	Below	Consistent
Shenandoah, VA NonMSA	Exceeds	Consistent

CRA APPENDIX A

The following table includes the distribution of the bank’s loan, branch, and deposit volume by assessment area. Loan volume includes all HMDA loans reported by the bank for calendar years 2022 and 2023 and small business loans reported by the bank for calendar year 2023. Branch information is considered pre-merger with Touchstone Bank and only includes branch offices existing before October 2024. Loan volume includes all HMDA and small business loans considered in the evaluation, while deposit data includes all bank deposits pre-merger and is current as of June 30, 2024.

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

Assessment Area	Loan Volume				Branches		Deposit Volume	
	#	%	\$ 000s	%	#	%	\$ 000s	%
Virginia Assessment Areas								
Washington-Baltimore-Arlington, VA	239	36.3%	\$46,833	30.2%	5	23.8%	\$463,884	36.1%
Harrisonburg-Staunton, VA	115	17.5%	\$31,538	20.4%	3	14.3%	\$132,762	10.3%
Richmond, VA	89	13.5%	\$35,982	23.2%	1	4.8%	\$34,409	2.7%
Shenandoah, VA NonMSA	146	22.2%	\$19,796	12.8%	3	14.3%	\$382,841	29.8%
Prince Edward, VA NonMSA	6	0.9%	\$900	0.6%	2	9.5%	\$55,337	4.3%
Roanoke, VA	63	9.6%	\$19,788	12.8%	7	33.3%	\$214,815	16.7%
Total	658	100%	\$154,837	100%	21	100%	\$1,284,048	100%

* The Richmond, VA assessment area currently includes eight branch offices; however, seven of these offices were acquired during the merger with Touchstone Bank in October 2024. Only one existing branch office is included in the table, as loan and deposit volume was not reviewed for this exam for the remaining seven branches.

CRA APPENDIX B

LIMITED REVIEW TABLES

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

The assessment area consists of Roanoke City, Roanoke County, Salem City, and Botetourt County, which is a part of Roanoke, VA MSA. The assessment area includes four low-, 15 moderate-, 21 middle-, and 21 upper- income census tracts. The bank operates seven branch offices with ATMs within the assessment area, one located in a middle-income census tract, and six located in upper-income tracts. FB also has one cash only ATM located in a moderate-income census tract, two located in middle-income tracts, and four located in upper-income tracts. The bank opened one of its branch offices since the previous evaluation located in an upper-income tract in August 2022. Based on 2020 ACS data, the assessment area has a population of 255,882. The 2022 and 2023 median family income for the Roanoke, VA MSA equaled \$86,200 and \$90,900, respectively.

Top employers in the area include Roanoke County School Board, Roanoke Memorial Community Hospital, HCA Virginia Health System, and US Department of Veteran Affairs. According to FDIC deposit data as of June 30, 2024, the bank ranked 9th out of 13 institutions in local deposit market share with 2.9% of all FDIC-insured deposits (excluding credit union deposits). According to the 2022 aggregate HMDA loan data, the institution ranked 43rd out of 320 lenders in reported home mortgage volume, holding .4% of the area market share. In 2023, the aggregate HMDA loan data revealed the institution ranked 42nd out of 273 lenders in reported home mortgage volume, holding .4% of the area market share.

Roanoke, VA Assessment Area

Demographic Data:

2023 Roanoke, VA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	4	6.6	2,888	4.6	1,145	39.6	12,694	20.4
Moderate	15	24.6	13,929	22.3	1,896	13.6	11,109	17.8
Middle	21	34.4	22,034	35.3	1,490	6.8	12,311	19.7
Upper	21	34.4	23,512	37.7	700	3.0	26,249	42.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	61	100.0	62,363	100.0	5,231	8.4	62,363	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	2.6	28.1	3,711	58.8	831	13.2
Moderate	27,705	14,346	21.1	51.8	10,038	36.2	3,321	12.0
Middle	42,132	24,357	35.8	57.8	13,963	33.1	3,812	9.0
Upper	37,680	27,519	40.5	73.0	7,268	19.3	2,893	7.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	113,832	67,995	100.0	59.7	34,980	30.7	10,857	9.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	484	4.2	424	4.0	58	6.5	2	2.3
Moderate	2,292	19.8	2,082	19.6	196	22.1	14	16.1
Middle	4,280	37.0	3,924	37.0	330	37.2	26	29.9
Upper	4,517	39.0	4,169	39.3	303	34.2	45	51.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11,573	100.0	10,599	100.0	887	100.0	87	100.0
Percentage of Total Businesses:				91.6	7.7	0.8		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	2	1.6	2	1.6	0	0.0	0	0.0
Moderate	9	7.0	9	7.1	0	0.0	0	0.0
Middle	40	31.0	39	30.7	1	50.0	0	0.0
Upper	78	60.5	77	60.6	1	50.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	129	100.0	127	100.0	2	100.0	0	0.0
Percentage of Total Farms:				98.4	1.6	0.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

PERFORMANCE TEST DATA

Lending Test

Borrower Distribution Tables:

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Roanoke, 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	10.9	0	0.0	6.4	0	0.0	9.2	0	0.0	4.8	20.4
Moderate	0	0.0	22.7	0	0.0	17.7	0	0.0	23.7	0	0.0	17.0	17.8
Middle	1	7.7	211	287	9.4	20.7	1	20.0	212	312	28.8	20.7	19.7
Upper	4	30.8	27.0	1352	44.3	38.2	0	0.0	26.2	0	0.0	37.7	42.1
Unknown	8	61.5	18.3	1415	46.3	17.0	4	80.0	19.8	773	71.2	19.8	0.0
Total	13	100.0	100.0	3,054	100.0	100.0	5	100.0	100.0	1,085	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	15.5	0	0.0	9.8	0	0.0	13.3	0	0.0	7.9	20.4
Moderate	3	60.0	22.5	437	52.4	19.5	1	25.0	22.2	100	15.0	18.3	17.8
Middle	1	20.0	20.8	197	23.6	20.8	1	25.0	19.5	65	9.8	19.9	19.7
Upper	0	0.0	22.6	0	0.0	30.7	2	50.0	24.8	500	75.2	31.6	42.1
Unknown	1	20.0	18.6	200	24.0	19.3	0	0.0	20.1	0	0.0	22.3	0.0
Total	5	100.0	100.0	834	100.0	100.0	4	100.0	100.0	665	100.0	100.0	100.0
Home Improvement Loans													
Low	2	50.0	9.3	125	72.7	6.9	0	0.0	10.1	0	0.0	6.4	20.4
Moderate	1	25.0	17.7	30	17.4	11.7	1	16.7	20.5	35	3.4	13.0	17.8
Middle	1	25.0	20.2	17	9.9	17.5	0	0.0	24.6	0	0.0	19.1	19.7
Upper	0	0.0	46.3	0	0.0	55.7	4	66.7	40.0	304	29.6	54.3	42.1
Unknown	0	0.0	6.6	0	0.0	8.2	1	16.7	4.9	689	67.0	7.2	0.0
Total	4	100.0	100.0	172	100.0	100.0	6	100.0	100.0	1,028	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	3	11.1	12.0	275	6.1	7.3	0	0.0	10.5	0	0.0	5.6	20.4
Moderate	4	14.8	21.8	467	10.4	17.8	3	15.8	22.7	149	4.6	17.0	17.8
Middle	6	22.2	21.4	564	12.5	20.7	2	10.5	21.6	377	11.6	20.7	19.7
Upper	5	18.5	27.7	1582	35.1	37.0	9	47.4	28.2	1265	38.9	37.7	42.1
Unknown	9	33.3	17.1	1615	35.9	17.2	5	26.3	17.0	1462	44.9	19.0	0.0
Total	27	100.0	100.0	4,503	100.0	100.0	19	100.0	100.0	3,253	100.0	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</i>													

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Roanoke, VA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	7	53.8	50.8	488	20.8	37.8	91.6
Over \$1 Million	6	46.2		1,857	79.2		7.7
Revenue Unknown	0	0.0		0	0.0		0.8
Total	13	100.0		2,344	100.0		100.0
By Loan Size							
\$100,000 or Less	7	53.8	90.2	359	15.3	31.6	
\$100,001 - \$250,000	3	23.1	5.5	535	22.8	20.8	
\$250,001 - \$1 Million	3	23.1	4.3	1,450	61.9	47.6	
Total	13	100.0	100.0	2,344	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	6	85.7		293	60.0		
\$100,001 - \$250,000	1	14.3		195	40.0		
\$250,001 - \$1 Million	0	0.0		0	0.0		
Total	7	100.0		488	100.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

Geographic Distribution Tables:

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Roanoke, VA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	1	7.7	4.0	550	23.5	4.4	4.2
Moderate	0	0.0	20.0	0	0.0	18.0	19.8
Middle	5	38.5	35.8	278	11.9	40.3	37.0
Upper	7	53.8	39.9	1,516	64.7	37.2	39.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.4	0	0.0	0.1	
Total	13	100.0	100.0	2,344	100.0	100.0	100.0

*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.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Roanoke, VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	1	7.7	2.7	70	2.3	17	0	0.0	3.1	0	0.0	18	2.6
Moderate	3	23.1	23.9	786	25.7	16.4	1	20.0	25.6	253	23.3	18.3	211
Middle	6	46.2	35.3	1113	36.4	33.4	0	0.0	34.9	0	0.0	33.8	35.8
Upper	3	23.1	38.1	1085	35.5	48.5	4	80.0	36.4	832	76.7	46.2	40.5
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	13	100.0	100.0	3,054	100.0	100.0	5	100.0	100.0	1,085	100.0	100.0	100.0
Refinance Loans													
Low	1	20.0	3.2	200	24.0	2.8	0	0.0	4.2	0	0.0	3.7	2.6
Moderate	1	20.0	24.5	197	23.6	18.9	0	0.0	24.3	0	0.0	20.3	211
Middle	1	20.0	34.6	120	14.4	33.4	1	25.0	34.9	120	18.0	34.8	35.8
Upper	2	40.0	37.7	317	38.0	44.9	3	75.0	36.6	545	82.0	41.1	40.5
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	5	100.0	100.0	834	100.0	100.0	4	100.0	100.0	665	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.9	0	0.0	0.9	0	0.0	2.6	0	0.0	16	2.6
Moderate	0	0.0	13.0	0	0.0	8.6	0	0.0	14.6	0	0.0	10.5	211
Middle	0	0.0	33.2	0	0.0	29.1	1	16.7	37.1	42	4.1	31.3	35.8
Upper	4	100.0	52.9	172	100.0	61.3	5	83.3	45.6	986	95.9	56.6	40.5
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	4	100.0	100.0	172	100.0	100.0	6	100.0	100.0	1,028	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	1	100.0	17.2	1,500	100.0	15.7	2	66.7	111	6,790	82.9	5.3	9.5
Moderate	0	0.0	25.3	0	0.0	12.7	0	0.0	29.6	0	0.0	35.1	217
Middle	0	0.0	30.3	0	0.0	26.3	0	0.0	35.2	0	0.0	36.6	40.3
Upper	0	0.0	27.3	0	0.0	45.4	1	33.3	22.2	1,398	17.1	19.0	28.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	19	0	0.0	3.9	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	1	100.0	100.0	1,500	100.0	100.0	3	100.0	100.0	8,188	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	5	17.9	2.8	2,016	33.6	3.9	2	9.1	3.3	6,790	59.3	2.7	2.6
Moderate	4	14.3	22.7	983	16.4	16.1	1	4.5	23.4	253	2.2	20.9	211
Middle	7	25.0	35.0	1,233	20.5	32.2	4	18.2	35.1	383	3.3	34.3	35.8
Upper	12	42.9	39.6	1,771	29.5	47.8	15	68.2	38.2	4,015	35.1	41.5	40.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.7	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	6,003	100.0	100.0	22	100.0	100.0	11,441	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.

Community Development Loans, Investments, and Services

In addition to the community development investments that serve the broader statewide area, FB participated in the following qualified community development activities that benefited the Roanoke, VA Assessment Area:

- One first-time homebuyer grant and one community partner grant with the FHLBA totaling \$27,500. These programs provide home buying financial assistance to qualified low-income individuals.
- Ten donations totaling \$6,331.85 to financial literacy programs for middle schools where the majority of the children receive free or reduced lunch, a program that provides Christmas toys to children in need, Salvation Army, Solomon's Mission, Dabney's Promise, and CCAP.

Two employees provided financial expertise by serving as vice president for the Buchanan's Lion Club that supports the Buchanan Food Pantry and the Botetourt County Chamber of Commerce, which partners with Food Lion Feeds to host a golfing event. The proceeds of the event go directly to local organizations to combat food insecurity.

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

The Prince Edward, VA NonMSA assessment area consists of Prince Edward and Buckingham Counties. This assessment area includes one moderate-, seven middle-, and two upper- income census tracts. There are no low-income census tracts in the assessment area. The bank operates two branch offices with ATMs within the assessment area, both located in middle-income census tracts. Based on 2020 ACS data, the assessment area has a population of 38,673. The 2022 and 2023 median family income for the Statewide NonMSA equaled \$67,800 and \$73,800, respectively.

Top employers in the area include Longwood University, Centra Health, Prince Edward County Public Schools, and Hampden-Sydney College. According to FDIC deposit data as of June 30, 2024, the bank ranked sixth out of seven institutions in local deposit market share with 8.6% of all FDIC-insured deposits (excluding credit union deposits). According to the 2022 aggregate HMDA loan data, the institution ranked 24th out of 153 lenders in reported home mortgage volume, holding .2% of the area market share. In 2023, the aggregate HMDA loan data revealed the institution ranked 16th out of 146 lenders in reported home mortgage volume, holding .7% of the area market share.

Prince Edward, VA NonMSA Assessment Area

Demographic Data:

2023 Prince Edward, 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	1,714	20.7
Moderate	1	10.0	761	9.2	126	16.6	1,459	17.6
Middle	7	70.0	5,924	71.6	659	11.1	1,735	21.0
Upper	2	20.0	1,587	19.2	199	12.5	3,364	40.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	10	100.0	8,272	100.0	984	11.9	8,272	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	1,506	789	8.7	52.4	400	26.6	317	21.0
Middle	11,468	6,528	72.0	56.9	2,558	22.3	2,382	20.8
Upper	3,950	1,745	19.3	44.2	1,322	33.5	883	22.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	16,924	9,062	100.0	53.5	4,280	25.3	3,582	21.2
	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	88	7.0	84	7.2	2	2.4	2	11.8
Middle	814	64.3	752	64.4	54	65.9	8	47.1
Upper	364	28.8	331	28.4	26	31.7	7	41.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,266	100.0	1,167	100.0	82	100.0	17	100.0
Percentage of Total Businesses:				92.2		6.5		1.3
	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	13.1	12	12.5	1	33.3	0	0.0
Middle	68	68.7	66	68.8	2	66.7	0	0.0
Upper	18	18.2	18	18.8	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	99	100.0	96	100.0	3	100.0	0	0.0
Percentage of Total Farms:				97.0		3.0		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.								

PERFORMANCE TEST DATA

Lending Test

Borrower Distribution Tables:

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Prince Edward, 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	0	0.0	4.9	0	0.0	2.7	0	0.0	4.1	0	0.0	2.4	20.7
Moderate	0	0.0	19.3	0	0.0	14.2	0	0.0	18.1	0	0.0	12.1	17.6
Middle	0	0.0	22.6	0	0.0	21.3	0	0.0	21.2	0	0.0	20.1	21.0
Upper	0	0.0	29.3	0	0.0	37.3	0	0.0	34.2	0	0.0	42.9	40.7
Unknown	0	0.0	23.8	0	0.0	24.5	0	0.0	22.3	0	0.0	22.6	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
Refinance Loans													
Low	0	0.0	7.8	0	0.0	4.2	0	0.0	12.6	0	0.0	6.9	20.7
Moderate	0	0.0	22.0	0	0.0	15.4	0	0.0	21.5	0	0.0	15.8	17.6
Middle	1	50.0	23.9	112	20.7	23.6	0	0.0	22.2	0	0.0	22.4	21.0
Upper	1	50.0	314	428	79.3	42.4	0	0.0	27.4	0	0.0	33.9	40.7
Unknown	0	0.0	14.9	0	0.0	13.4	0	0.0	15.3	0	0.0	19.9	0.0
Total	2	100.0	100.0	540	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	2.9	0	0.0	2.1	0	0.0	0.0	0	0.0	0.0	20.7
Moderate	0	0.0	8.8	0	0.0	7.1	0	0.0	23.7	0	0.0	15.7	17.6
Middle	0	0.0	41.2	0	0.0	29.7	0	0.0	26.3	0	0.0	25.5	21.0
Upper	0	0.0	41.2	0	0.0	40.3	1	100.0	44.7	90	100.0	54.7	40.7
Unknown	0	0.0	5.9	0	0.0	20.8	0	0.0	5.3	0	0.0	3.2	0.0
Total	0	0.0	100.0	0	0.0	100.0	1	100.0	100.0	90	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	0	0.0	6.1	0	0.0	3.2	0	0.0	6.1	0	0.0	3.3	20.7
Moderate	0	0.0	20.1	0	0.0	15.0	2	50.0	20.1	170	47.2	13.4	17.6
Middle	1	50.0	22.8	112	20.7	21.7	1	25.0	21.6	100	27.8	20.6	21.0
Upper	1	50.0	30.9	428	79.3	38.9	1	25.0	33.6	90	25.0	41.6	40.7
Unknown	0	0.0	20.1	0	0.0	21.3	0	0.0	18.6	0	0.0	21.1	0.0
Total	2	100.0	100.0	540	100.0	100.0	4	100.0	100.0	360	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 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Prince Edward, VA NonMSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	0	0.0	61.1	0	0.0	37.7	92.2
Over \$1 Million	0	0.0		0	0.0		6.5
Revenue Unknown	0	0.0		0	0.0		1.3
Total	0	0.0		0	0.0		100.0
By Loan Size							
\$100,000 or Less	0	0.0	96.2	0	0.0	47.9	
\$100,001 - \$250,000	0	0.0	2.1	0	0.0	14.8	
\$250,001 - \$1 Million	0	0.0	1.7	0	0.0	37.3	
Total	0	0.0	100.0	0	0.0	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	0	0.0		0	0.0		
\$250,001 - \$1 Million	0	0.0		0	0.0		
Total	0	0.0		0	0.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

Geographic Distribution Tables:

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Prince Edward, VA NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	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	0	0.0	11.4	0	0.0	11.5	0	0.0	12.4	0	0.0	11.5	8.7
Middle	0	0.0	65.8	0	0.0	62.9	0	0.0	68.9	0	0.0	71.0	72.0
Upper	0	0.0	20.8	0	0.0	24.2	0	0.0	17.9	0	0.0	16.8	19.3
Unknown	0	0.0	2.0	0	0.0	1.3	0	0.0	0.8	0	0.0	0.7	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
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	0	0.0	7.8	0	0.0	7.7	0	0.0	8.9	0	0.0	7.1	8.7
Middle	2	100.0	68.6	540	100.0	66.7	0	0.0	69.6	0	0.0	73.8	72.0
Upper	0	0.0	18.4	0	0.0	19.5	0	0.0	17.0	0	0.0	16.3	19.3
Unknown	0	0.0	5.1	0	0.0	6.1	0	0.0	4.4	0	0.0	2.8	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	540	100.0	100.0	0	0.0	100.0	0	0.0	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	5.9	0	0.0	1.9	0	0.0	10.5	0	0.0	6.5	8.7
Middle	0	0.0	61.8	0	0.0	64.9	1	100.0	73.7	90	100.0	78.8	72.0
Upper	0	0.0	20.6	0	0.0	19.3	0	0.0	7.9	0	0.0	7.3	19.3
Unknown	0	0.0	11.8	0	0.0	14.0	0	0.0	7.9	0	0.0	7.4	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	90	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	0.0	0	0.0	0.0	1.9
Middle	0	0.0	60.0	0	0.0	83.2	0	0.0	0.0	0	0.0	0.0	46.7
Upper	0	0.0	40.0	0	0.0	16.8	0	0.0	100.0	0	0.0	100.0	51.4
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	0	0.0	9.9	0	0.0	9.7	0	0.0	11.1	0	0.0	10.2	8.7
Middle	2	100.0	66.8	540	100.0	65.3	2	50.0	69.0	185	51.4	70.3	72.0
Upper	0	0.0	20.0	0	0.0	22.4	2	50.0	17.6	175	48.6	18.1	19.3
Unknown	0	0.0	3.3	0	0.0	2.7	0	0.0	2.3	0	0.0	1.4	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	540	100.0	100.0	4	100.0	100.0	360	100.0	100.0	100.0
<i>Source: 2023 FFIEC Census Data</i>													
<i>2016-2020 U.S. Census Bureau: American Community Survey</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>													

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Prince Edward, 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	7.1	0	0.0	1.8	7.0
Middle	0	0.0	66.4	0	0.0	77.0	64.3
Upper	0	0.0	26.3	0	0.0	21.1	28.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.2	0	0.0	0.1	
Total	0	0.0	100.0	0	0.0	100.0	100.0

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.

Community Development Loans, Investments, and Services

In addition to the community development investments that serve the broader statewide area, FB participated in the following qualified community development activities that benefited the Prince Edward, VA NonMSA Assessment Area:

- One first-time homebuyer grant with the FHLBA totaling \$17,500. These programs provide home buying financial assistance to qualified low-income individuals.
- Two donations totaling \$5,718.75 to Virginia Reads One Book.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN SHENANDOAH, VA NON MSA
ASSESSMENT AREA**

The Shenandoah, VA NonMSA assessment area consists of Shenandoah County. This assessment area includes seven middle- and four upper-income census tracts. There are no low- or moderate-income tracts in the assessment area. The bank operates three branch offices with ATMs and two separate standalone (one full-service and one cash only) ATMs within the assessment area, all located in middle-income census tracts. Based on 2020 ACS data, the assessment area has a population of 44,186. The 2022 and 2023 median family income for the Statewide NonMSA equaled \$67,800 and \$73,800, respectively.

Top employers in the area include Shenandoah County School Board, George’s Chicken, Shentel Management Company, and Bowman Andros Company. According to FDIC deposit data as of June 30, 2024, the bank ranked first out of six institutions in local deposit market share with 39.2% of all FDIC-insured deposits (excluding credit union deposits). According to the 2022 aggregate HMDA loan data, the institution ranked 9th out of 222 lenders in reported home mortgage volume, holding 2.5% of the area market share. In 2023, the aggregate HMDA loan data revealed the institution ranked 1st out of 168 lenders in reported home mortgage volume, holding 7.4% of the area market share.

Shenandoah, VA NonMSA Assessment Area

Demographic Data:

2023 Shenandoah, 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	1,910	16.7
Moderate	0	0.0	0	0.0	0	0.0	2,068	18.1
Middle	7	63.6	8,011	70.0	765	9.5	2,307	20.2
Upper	4	36.4	3,426	30.0	165	4.8	5,152	45.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	11,437	100.0	930	8.1	11,437	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle	13,663	7,919	64.8	58.0	4,484	32.8	1,260	9.2
Upper	7,600	4,300	35.2	56.6	838	11.0	2,462	32.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	21,263	12,219	100.0	57.5	5,322	25.0	3,722	17.5
	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,598	72.8	1,512	73.0	64	69.6	22	68.8
Upper	597	27.2	559	27.0	28	30.4	10	31.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2,195	100.0	2,071	100.0	92	100.0	32	100.0
Percentage of Total Businesses:				94.4		4.2		1.5
	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	119	65.4	118	65.2	1	100.0	0	0.0
Upper	63	34.6	63	34.8	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	182	100.0	181	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.5		0.5		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.								

PERFORMANCE TEST DATA

Lending Test

Borrower Distribution Tables:

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Shenandoah, 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	1	6.3	18	151	4.8	0.9	0	0.0	14	0	0.0	0.7	16.7
Moderate	4	25.0	16.6	516	16.4	12.5	2	10.5	117	329	7.3	7.8	18.1
Middle	0	0.0	19.4	0	0.0	17.8	5	26.3	20.9	993	22.1	18.1	20.2
Upper	8	50.0	39.3	2,016	64.0	45.0	8	42.1	40.9	1,884	42.0	47.4	45.0
Unknown	3	18.8	23.0	465	14.8	23.8	4	21.1	25.1	1,279	28.5	26.0	0.0
Total	16	100.0	100.0	3,148	100.0	100.0	19	100.0	100.0	4,485	100.0	100.0	100.0
Refinance Loans													
Low	1	5.9	5.0	105	3.4	2.6	5	18.5	8.7	346	15.9	4.1	16.7
Moderate	2	11.8	19.0	350	11.2	15.1	8	29.6	20.1	499	22.9	13.5	18.1
Middle	4	23.5	25.3	275	8.8	22.3	4	14.8	19.7	390	17.9	18.7	20.2
Upper	8	47.1	39.7	2,131	68.0	47.2	8	29.6	34.9	786	36.1	41.2	45.0
Unknown	2	11.8	10.9	273	8.7	12.8	2	7.4	16.6	155	7.1	22.6	0.0
Total	17	100.0	100.0	3,134	100.0	100.0	27	100.0	100.0	2,176	100.0	100.0	100.0
Home Improvement Loans													
Low	1	20.0	3.7	11	2.1	4.4	1	4.5	2.7	20	14	18	16.7
Moderate	0	0.0	9.6	0	0.0	8.3	9	40.9	14.4	340	24.1	7.8	18.1
Middle	2	40.0	22.8	350	67.4	21.1	6	27.3	29.7	512	36.3	26.4	20.2
Upper	2	40.0	61.8	158	30.4	63.8	6	27.3	52.3	539	38.2	63.8	45.0
Unknown	0	0.0	2.2	0	0.0	2.4	0	0.0	0.9	0	0.0	0.3	0.0
Total	5	100.0	100.0	519	100.0	100.0	22	100.0	100.0	1,411	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	3	6.7	3.0	267	3.7	15	9	10.5	3.6	439	4.5	15	16.7
Moderate	7	15.6	16.8	916	12.5	13.1	20	23.3	14.1	1,188	12.1	8.9	18.1
Middle	9	20.0	21.4	780	10.7	19.0	19	22.1	21.4	2,051	21.0	18.2	20.2
Upper	21	46.7	41.2	4,611	63.1	46.1	32	37.2	41.4	4,673	47.8	47.4	45.0
Unknown	5	11.1	17.6	738	10.1	20.3	6	7.0	19.5	1,434	14.7	24.0	0.0
Total	45	100.0	100.0	7,312	100.0	100.0	86	100.0	100.0	9,785	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 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Shenandoah, VA NonMSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	10	71.4	50.7	1,265	49.2	42.2	94.4
Over \$1 Million	4	28.6		1,304	50.8		4.2
Revenue Unknown	0	0.0		0	0.0		1.5
Total	14	100.0		2,569	100.0		100.0
By Loan Size							
\$100,000 or Less	7	50.0	97.5	373	14.5	66.6	
\$100,001 - \$250,000	4	28.6	2.1	627	24.4	21.9	
\$250,001 - \$1 Million	3	21.4	0.4	1,569	61.1	11.6	
Total	14	100.0	100.0	2,569	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	6	60.0		273	21.6		
\$100,001 - \$250,000	3	30.0		507	40.1		
\$250,001 - \$1 Million	1	10.0		485	38.3		
Total	10	100.0		1,265	100.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

Geographic Distribution Tables:

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Shenandoah, VA NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	12	75.0	69.0	1,841	58.5	67.4	13	68.4	68.2	2,967	66.2	67.5	64.8
Upper	4	25.0	31.0	1,307	41.5	32.6	6	31.6	31.8	1,518	33.8	32.5	35.2
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	16	100.0	100.0	3,148	100.0	100.0	19	100.0	100.0	4,485	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	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	13	76.5	64.9	2,540	81.0	63.6	17	63.0	65.5	1,360	62.5	63.6	64.8
Upper	4	23.5	35.1	594	19.0	36.4	10	37.0	34.5	816	37.5	36.4	35.2
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	17	100.0	100.0	3,134	100.0	100.0	27	100.0	100.0	2,176	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	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	3	60.0	62.5	191	36.8	63.8	18	81.8	66.7	1,136	80.5	57.3	64.8
Upper	2	40.0	37.5	328	63.2	36.2	4	18.2	33.3	275	19.5	42.7	35.2
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	519	100.0	100.0	22	100.0	100.0	1,411	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	0.0	0	0.0	0.0	0.0
Middle	0	0.0	100.0	0	0.0	100.0	1	100.0	100.0	130	100.0	100.0	90.8
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	9.2
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	1	100.0	100.0	130	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	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	35	77.8	67.6	5,083	69.5	66.9	60	69.0	67.9	6,415	64.7	66.6	64.8
Upper	10	22.2	32.4	2,229	30.5	33.1	27	31.0	32.1	3,500	35.3	33.4	35.2
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	45	100.0	100.0	7,312	100.0	100.0	87	100.0	100.0	9,915	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 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Shenandoah, 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	0.0	0	0.0	0.0	0.0
Middle	8	57.1	67.5	1,476	57.5	72.8	72.8
Upper	6	42.9	32.0	1,094	42.6	26.4	27.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.5	0	0.0	0.8	
Total	14	100.0	100.0	2,569	100.0	100.0	100.0

*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.

Community Development Loans, Investments, and Services

In addition to the community development investments that serve the broader statewide area, FB participated in the following qualified community development activities that benefited the Shenandoah, VA Assessment Area:

- Four first-time homebuyer grants and one community partner grant with the FHLBA totaling \$65,000. These programs provide home buying financial assistance to qualified low-income individuals.
- Twelve donations totaling \$8,330 to financial literacy and community programs for middle schools where a majority of the children receive free or reduced lunch as well as Family Promise.

Three employees provided community development services that benefited the assessment area. The employees provided financial expertise by serving on committees for the Housing Coalition of the Northern Shenandoah Valley and the United Way of the Northern Shenandoah Valley. The third employee provided financial literacy training to low-income individuals regarding fraud in rental scams.

CRA APPENDIX C

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.