



## **PUBLIC DISCLOSURE**

**January 13, 2025**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Citizens Bank and Trust Company**

**Blackstone, 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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991621

126 South Main Street

Blackstone, VA 23824

**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 its size, financial condition, and the credit needs of its assessment areas.
- A majority of the institution's Home Mortgage Disclosure Act (HMDA) and small business loans considered in the evaluation were originated within its assessment areas.
- The bank's borrower distribution performance (lending to low- and moderate-income borrowers and small businesses with annual revenues of \$1 million or less) varies by assessment area and is considered reasonable overall.
- The bank's geographic distribution performance (lending in low- and moderate-income census tracts) also varies by assessment area and is considered reasonable overall.
- The bank's responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and services is considered adequate overall.
- The institution has not received any complaints regarding its CRA performance since the previous evaluation.

## **SCOPE OF EXAMINATION**

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

Qualified community development loans and services are considered for activities since the previous evaluation (September 27, 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.

CBT serves two assessment areas within the Commonwealth of Virginia, the Richmond, VA assessment area and the Nottoway, VA NonMSA assessment area. Given the distribution of CBT's loans, deposits, and branch offices as outlined in **Appendix A**, both assessment areas were evaluated using the FFIEC's full-scope review procedures.

## DESCRIPTION OF INSTITUTION

CBT is headquartered in Blackstone, Virginia and currently operates twelve total branches (ten full-service branches, one main office with no ATM, and one ATM drive-thru only office) across central Virginia. Since the previous evaluation, the bank opened a loan production office (LPO) in Goochland, Virginia in January 2023. The institution is a wholly-owned subsidiary of Citizens Bancorp of Virginia, Incorporated (CBV), a single bank holding company, and has no affiliates or subsidiaries. CBT received a Satisfactory rating at its prior CRA evaluation dated September 27, 2021. No known legal impediment exists that would prevent the bank from meeting the credit needs of its assessment areas.

As of September 30, 2024, CBT held assets totaling \$545.3 million, of which 48.4% were net loans and 43.8% were securities. As of the same date, deposits totaled \$467.1 million. 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 September 30, 2024 is represented in the following table.

**Composition of Loan Portfolio**

Loan Type	9/30/2024	
	\$ (000s)	%
Secured by 1-4 Family dwellings	139,496	52.2
Multifamily	5,665	2.1
Construction and Development	24,428	9.1
Commercial & Industrial/ NonFarm NonResidential	68,839	25.8
Consumer Loans and Credit Cards	11,511	4.3
Agricultural Loans/ Farmland	16,919	6.3
All Other	154	0.1
<b>Total</b>	<b>267,012</b>	<b>100.0</b>

As indicated in the preceding table, CBT 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 relatively limited in comparison to commercial and residential mortgage lending.

As previously mentioned, CBT serves two assessment areas located in the Commonwealth of Virginia. One assessment area includes a portion of the Richmond, VA MSA, while the other is comprised of six nonmetropolitan counties in Virginia. No branches have been opened or closed since the previous evaluation, but as previously mentioned, the bank opened a LPO on January 15, 2023. The composition of the bank's assessment areas remain unchanged since the previous evaluation. The following table reflects the current composition of the bank's assessment areas.

Assessment Area Name	County	State	Census Tracts Included
Nottoway, VA NonMSA	Brunswick	VA	All
	Cumberland		
	Lunenburg		
	Mecklenburg		
	Nottoway		
	Prince Edward		
Richmond, VA	Amelia	VA	All
	Chesterfield		
	Colonial Heights City		
	Petersburg City		
	Powhatan		

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

Overall, the bank is rated Satisfactory, with the Lending and Community Development Tests both 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 CBT 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, and Home Improvement categories. For the Richmond, VA assessment area, the Home Improvement category was not evaluated due to the small number of such loans. For the Nottoway, VA NonMSA and Richmond, VA assessment areas, performance for the Multi-family, Not Applicable, Other Closed, and Other Line of Credit categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

When evaluating 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.

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. During the evaluation period, the bank originated a slightly greater dollar volume of lending in the Nottoway, VA NonMSA 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.

### **Loan-To-Deposit Ratio**

The bank's loan-to-deposit ratio as of September 30, 2024 equaled 56.5% and averaged 47% for the preceding twelve-quarter period. In comparison, the quarterly average loan-to-deposit ratios for peer banks operating in similar areas to CBT ranged from 48.2% to 87.4% during the same twelve-quarter period. Since the previous evaluation, CBT's assets and deposits have decreased by 3.8% and 5.9%, respectively, while net loans have increased by 25.7%. 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 Area**

To determine the institution's volume of lending within its assessment areas, the geographic location of CBT'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	141	68.4	29,579	61.9	65	31.6	18,237	38.1
Home Improvement	27	84.4	3,097	89.9	5	15.6	347	10.1
Refinancing	55	76.4	8,445	74.0	17	23.6	2,973	26.0
Multi-Family Housing	3	21.4	1,685	20.9	11	78.6	6,359	79.1
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total HMDA related</b>	<b>226</b>	<b>69.8</b>	<b>42,806</b>	<b>60.5</b>	<b>98</b>	<b>30.2</b>	<b>27,916</b>	<b>39.5</b>
Small Business	183	80.3	22,069	82.2	45	19.7	4,767	17.8
<b>TOTAL LOANS</b>	<b>409</b>	<b>74.1</b>	<b>64,875</b>	<b>66.5</b>	<b>143</b>	<b>25.9</b>	<b>32,683</b>	<b>33.5</b>

As indicated in the preceding table, a majority of the total number (74.1%) and dollar amount (66.5%) of loans considered in the evaluation was extended to residents and businesses inside CBT's assessment areas. Overall, the institution's level of lending within its assessment areas is considered responsive to community credit needs.

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

The bank's borrower distribution performance is considered excellent for the Richmond, VA assessment area and reasonable for the Nottoway, VA NonMSA assessment area. On a combined basis and based on the lending volume and relative strength of performance in each assessment area, CBT's overall borrower distribution performance is considered reasonable.

**Geographic Distribution of Loans**

CBT's geographic distribution performance is considered excellent for the Richmond, VA assessment area and poor for the Nottoway, VA NonMSA assessment area. On a combined basis and based on the lending volume and relative strength of performance in each assessment area, CBT'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. CBT'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 both assessment areas and/or the larger statewide or regional area:

- Six bond investments totaling approximately \$5.3 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.
- An employee serves on the board of an organization that provides health services to low-and-moderate income individuals within both of the bank's assessment areas.

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

**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 RICHMOND, VA ASSESSMENT  
AREA**

The bank's Richmond, VA assessment area includes a portion of the Richmond, VA MSA, and includes Amelia County, Chesterfield County, Colonial Heights City, Petersburg City, and Powhatan County in their entirety. CBT operates four full-service branch offices in the assessment area.

Recent data (June 30, 2024) from the FDIC indicates the bank ranked 12<sup>th</sup> out of 22 institutions in local deposit market share, holding 1.8% of area deposits (excluding credit union deposits). According to the 2022 aggregate HMDA loan data, the institution ranked 68<sup>th</sup> out of 477 lenders in reported home mortgage volume, holding 0.2% of area market share. According to the 2023 aggregate HMDA loan data, the institution ranked 52<sup>nd</sup> out of 427 lenders in reported home mortgage volume, holding 0.3% of the area market share.

According to 2020 ACS data, the assessment area has a population of 459,774 and a median housing value of \$245,466. The owner occupancy rate within the area equals 69.7% which is higher than the rates for the Commonwealth of Virginia (60%) and the entire MSA (61.8%). Within the assessment area, 5.3% of families are considered below the poverty level, which is lower than both the percentage of such families in the Commonwealth of Virginia (6.8%) and the entire MSA (6.8%). The 2022 and 2023 FFIEC estimated median family income for the Richmond, VA MSA equaled \$101,100 and \$109,100, respectively.

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	11	11.0	5,651	4.9	1,507	26.7	20,596	17.9
Moderate	19	19.0	15,051	13.1	1,519	10.1	21,402	18.6
Middle	39	39.0	49,971	43.4	2,098	4.2	25,580	22.2
Upper	31	31.0	44,338	38.6	973	2.2	47,433	41.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	100	100.0	115,011	100.0	6,097	5.3	115,011	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	13,136	3,274	2.7	24.9	7,931	60.4	1,931	14.7
Moderate	27,812	13,259	11.0	47.7	11,860	42.6	2,693	9.7
Middle	73,910	54,278	44.9	73.4	15,785	21.4	3,847	5.2
Upper	58,535	50,055	41.4	85.5	6,539	11.2	1,941	3.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	173,393	120,866	100.0	69.7	42,115	24.3	10,412	6.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,429	6.7	1,314	6.5	101	10.2	14	11.5
Moderate	2,427	11.4	2,323	11.5	93	9.4	11	9.0
Middle	9,443	44.5	8,918	44.3	477	48.2	48	39.3
Upper	7,929	37.4	7,562	37.6	318	32.2	49	40.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	21,228	100.0	20,117	100.0	989	100.0	122	100.0
Percentage of Total Businesses:				94.8		4.7		0.6
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2	1.0	2	1.0	0	0.0	0	0.0
Moderate	12	5.9	12	6.0	0	0.0	0	0.0
Middle	96	46.8	92	46.0	4	80.0	0	0.0
Upper	95	46.3	94	47.0	1	20.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	205	100.0	200	100.0	5	100.0	0	0.0
Percentage of Total Farms:				97.6		2.4		0.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau; American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

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.

<b>Richmond, VA Unemployment Rates</b>					
<b>Area</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Richmond, VA	2.9%	6.5%	4.0%	2.9%	3.0%
Amelia County, VA	3.1%	6.0%	3.5%	2.9%	3.0%
Chesterfield County, VA	2.7%	6.1%	3.6%	2.7%	2.9%
Powhatan County, VA	2.5%	5.0%	2.9%	2.5%	2.7%
Colonial Heights city, VA	3.2%	7.4%	4.7%	3.1%	3.1%
Petersburg city, VA	5.6%	14.7%	10.1%	5.5%	5.4%
Richmond, VA MSA	2.9%	6.9%	4.1%	2.9%	3.0%
Virginia	2.8%	6.4%	3.9%	2.8%	2.9%
<i>Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics</i>					

As indicated in the preceding table, during 2020, which was the peak of the COVID-19 pandemic, the assessment area, MSA, and state all experienced a substantial increase in unemployment rates. From 2020-2022, the area's unemployment rates were trending downward. Between 2022 and 2023, there is a slight increase in unemployment rates. Unemployment rates in Amelia, Chesterfield, Powhatan counties and Colonial Heights City generally trend in the same direction as the MSA and statewide rates, while Petersburg City's rates are generally higher than the MSA and statewide rates.

An affordable housing official was contacted to discuss local economic conditions and community credit needs. The contact stated that the local area would benefit from more affordable housing and financial literacy classes. The contact also stated that local banks are partnering with organizations to help serve the local affordable housing needs. The contact indicated that area financial institutions are reasonably serving the banking needs of the local community.

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

Within the assessment area during 2023, the bank originated purchase and refinance HMDA loans totaling \$10.4 million and small business loans totaling \$9.2 million. Accordingly, the products carry similar weight when evaluating overall lending performance.

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

CBT's borrower distribution performance is excellent overall for HMDA and reasonable 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 excellent.

#### **HMDA Lending**

The borrower distribution performance of HMDA lending is considered excellent overall. From a loan category perspective, performance of the bank's home purchase lending is considered reasonable, while refinance lending is excellent. Performance for the home improvement 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 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	Bank		Agg	
	#	№%	№%	\$(000)	№%	№%	#	№%	№%	\$(000)	№%	№%	
Home Purchase Loans													
Low	3	12.0	7.7	355	6.8	4.3	6	22.2	6.4	1,209	15.8	3.3	17.9
Moderate	3	12.0	22.6	259	4.9	17.2	5	18.5	21.7	1,198	15.6	15.6	18.6
Middle	3	12.0	22.5	683	13.0	21.9	3	11.1	21.6	908	11.8	21.0	22.2
Upper	6	24.0	28.1	1,767	33.7	37.0	7	25.9	28.5	3,045	39.7	37.2	41.2
Unknown	10	40.0	19.2	2,179	41.6	19.6	6	22.2	21.9	1,311	17.1	22.7	0.0
Total	25	100.0	100.0	5,243	100.0	100.0	27	100.0	100.0	7,671	100.0	100.0	100.0
Refinance Loans													
Low	1	20.0	13.6	35	2.6	8.7	3	23.1	12.1	207	7.6	7.9	17.9
Moderate	2	40.0	26.1	427	31.6	21.9	4	30.8	25.7	740	27.3	22.0	18.6
Middle	0	0.0	21.3	0	0.0	21.7	2	15.4	24.0	290	10.7	23.8	22.2
Upper	1	20.0	23.3	641	47.4	31.0	2	15.4	23.3	770	28.4	28.5	41.2
Unknown	1	20.0	15.7	249	18.4	16.7	2	15.4	14.8	700	25.9	17.8	0.0
Total	5	100.0	100.0	1,352	100.0	100.0	13	100.0	100.0	2,707	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	5.5	0	0.0	4.2	0	0.0	7.1	0	0.0	4.3	17.9
Moderate	0	0.0	19.9	0	0.0	15.1	0	0.0	23.2	0	0.0	16.4	18.6
Middle	0	0.0	27.5	0	0.0	24.3	2	50.0	25.7	513	89.1	22.2	22.2
Upper	1	50.0	43.9	140	53.0	53.5	2	50.0	40.3	63	10.9	52.9	41.2
Unknown	1	50.0	3.2	124	47.0	2.9	0	0.0	3.8	0	0.0	4.2	0.0
Total	2	100.0	100.0	264	100.0	100.0	4	100.0	100.0	576	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	4	12.5	9.3	390	5.7	5.5	9	20.5	7.5	1,416	12.9	4.0	17.9
Moderate	5	15.6	23.1	686	10.0	18.3	9	20.5	22.3	1,938	17.7	16.7	18.6
Middle	3	9.4	22.4	683	10.0	21.8	7	15.9	23.0	1,711	15.6	21.5	22.2
Upper	8	25.0	28.0	2,548	37.1	35.9	11	25.0	29.2	3,878	35.4	36.7	41.2
Unknown	12	37.5	17.2	2,552	37.2	18.5	8	18.2	18.0	2,011	18.4	21.1	0.0
Total	32	100.0	100.0	6,859	100.0	100.0	44	100.0	100.0	10,954	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 Loans

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

During 2023, the bank's percentage of home purchase loans to low-income borrowers (22.2%) exceeded the percentage of area low-income families (17.9%) and significantly exceeded the aggregate reporters' level of lending (6.4%). CBT's percentage of home purchase loans to moderate-income borrowers (18.5%) approximated the percentage of area moderate-income families (18.6%) but lagged the aggregate lending level (21.7%). Overall, the bank's level of home purchase lending during 2023 is considered excellent.

During 2022, CBT's percentage of home purchase loans to low-income borrowers (12%) lagged the percentage of area low-income families (17.9%), but it exceeded the aggregate lending level (7.7%). CBT's percentage of lending to moderate-income borrowers (12%) lagged the percentage of area moderate-income families (18.6%) and the aggregate lending level (22.6%). Overall, the bank's level of home purchase lending to low- and moderate-income borrowers during 2022 is considered reasonable.

### Refinance Loans

The bank's refinance lending performance is considered excellent.

During 2023, CBT's level of refinance lending to low-income borrowers (23.1%) significantly exceeded both the percentage of low-income families within the assessment area (17.9%) and the aggregate level of lending (12.1%). Similarly, the bank's lending to moderate-income borrowers (30.8%) significantly exceeded both the percentage of area moderate-income families (18.6%) and the aggregate level of lending (25.7%). Overall, the bank's level of lending during 2023 is considered excellent, and performance in 2022 is similar.

### Small Business Lending

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

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	35	56.5	52.5	3,854	42.1	31.6	94.8
Over \$1 Million	27	43.5		5,298	57.9		4.7
Revenue Unknown	0	0.0		0	0.0		0.6
Total	62	100.0		9,152	100.0		100.0
By Loan Size							
\$100,000 or Less	33	53.2	95.6	1,419	15.5	46.3	
\$100,001 - \$250,000	20	32.3	2.3	3,768	41.2	13.8	
\$250,001 - \$1 Million	9	14.5	2.2	3,966	43.3	40.0	
Total	62	100.0	100.0	9,152	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	23	65.7		722	18.7		
\$100,001 - \$250,000	7	20.0		1,367	35.5		
\$250,001 - \$1 Million	5	14.3		1,765	45.8		
Total	35	100.0		3,854	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.							

The bank's level of lending to businesses with annual revenues of \$1 million or less during 2023 (56.5%) lagged the percentage of area businesses having revenues of \$1 million or less (94.8%); however, CBT's level of lending exceeded the aggregate lending level (52.5%). With respect to the distribution by loan size, 53.2% of the bank's small business loans during 2023 were in amounts of \$100,000 or less compared to 95.6% of such lending by aggregate reporters. Overall, the bank's performance during 2023 is considered reasonable, and the conclusion is driven by its small business lending by revenue compared to the aggregate reporters' level of lending.

### **Geographic Distribution of Loans**

The bank's geographic distribution performance is considered reasonable for HMDA lending and excellent for small business lending. Given the relative loan volumes and strength of performance for each product, the bank's overall performance for the assessment area is considered excellent.

#### *HMDA Lending*

The geographic distribution performance of HMDA lending is considered reasonable overall. From a loan category perspective, performance is reasonable for home purchase and poor for refinance lending.

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

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Richmond, VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Home Purchase Loans													
Low	2	8.0	3.3	362	6.9	1.6	2	7.4	4.6	168	2.2	2.4	2.7
Moderate	1	4.0	13.0	126	2.4	9.0	3	11.1	13.3	685	8.9	9.3	11.0
Middle	16	64.0	41.5	3,305	63.0	37.5	15	55.6	42.4	4,338	56.6	39.6	44.9
Upper	6	24.0	42.2	1,450	27.7	51.9	7	25.9	39.7	2,480	32.3	48.7	41.4
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	25	100.0	100.0	5,243	100.0	100.0	27	100.0	100.0	7,671	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	2.7	0	0.0	1.6	1	7.7	3.6	190	7.0	2.4	2.7
Moderate	0	0.0	12.3	0	0.0	9.1	1	7.7	14.3	42	1.6	11.4	11.0
Middle	4	80.0	44.6	1,103	81.6	40.0	8	61.5	45.6	1,885	69.6	44.8	44.9
Upper	1	20.0	40.4	249	18.4	49.3	3	23.1	36.4	590	21.8	41.4	41.4
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	5	100.0	100.0	1,352	100.0	100.0	13	100.0	100.0	2,707	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	1.0	0	0.0	0.7	0	0.0	2.0	0	0.0	2.0	2.7
Moderate	0	0.0	5.3	0	0.0	4.2	0	0.0	8.3	0	0.0	6.5	11.0
Middle	2	100.0	35.4	264	100.0	31.1	3	75.0	37.2	98	17.0	30.8	44.9
Upper	0	0.0	58.3	0	0.0	64.0	1	25.0	52.5	478	83.0	60.6	41.4
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	264	100.0	100.0	4	100.0	100.0	576	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	29.6	0	0.0	4.5	1	100.0	18.2	545	100.0	10.4	19.8
Moderate	0	0.0	37.0	0	0.0	35.9	0	0.0	54.5	0	0.0	27.3	28.7
Middle	2	100.0	25.9	1,140	100.0	34.9	0	0.0	27.3	0	0.0	62.2	33.8
Upper	0	0.0	7.4	0	0.0	24.7	0	0.0	0.0	0	0.0	0.0	17.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	1,140	100.0	100.0	1	100.0	100.0	545	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	2	5.9	3.0	362	4.5	1.7	4	8.9	4.0	903	7.9	2.6	2.7
Moderate	1	2.9	12.1	126	1.6	10.2	4	8.9	12.7	727	6.3	9.9	11.0
Middle	24	70.6	41.6	5,812	72.7	37.7	26	57.8	42.4	6,321	55.0	40.4	44.9
Upper	7	20.6	43.3	1,699	21.2	50.4	11	24.4	40.9	3,548	30.9	47.1	41.4
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	34	100.0	100.0	7,999	100.0	100.0	45	100.0	100.0	11,499	100.0	100.0	100.0
Source: 2023 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Home Purchase Lending

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

During 2023, the bank's level of lending in low-income census tracts (7.4%) exceeded the percentage of owner-occupied housing units (2.7%) and the aggregate reporters' level of lending (4.6%) within such tracts. The bank's level of lending in moderate-income census tracts (11.1%) approximated the percentage of owner-occupied housing units (11%) but slightly lagged the aggregate lending level (13.3%) within such tracts. CBT's performance during 2023 is considered reasonable, and its 2022 performance is similar.

Refinance Lending

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

During 2023, the bank's level of lending in low-income census tracts (7.7%) exceeded the percentage of owner-occupied housing units (2.7%) and the aggregate lending level (3.6%) within such tracts. However, the bank's level of lending in moderate-income census tracts (7.7%) lagged the percentage of owner-occupied housing units (11%) and the aggregate lending level (14.3%) within such tracts. Overall, the bank's level of lending during 2023 is considered reasonable.

During 2022, the bank did not originate any refinance loans in low- or moderate-income census tracts, and the aggregate lending level within such tracts was 2.7% and 12.3% respectively. When also considering the previously detailed demographic proxies for demand, overall, CBT's level of lending during 2022 is considered very poor.

Small Business Lending

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

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	5	8.1	4.8	648	7.1	6.2	6.7
Moderate	10	16.1	8.6	1,636	17.9	7.2	11.4
Middle	36	58.1	42.6	4,842	52.9	43.3	44.5
Upper	11	17.7	43.7	2,026	22.1	43.2	37.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.3	0	0.0	0.1	
Total	62	100.0	100.0	9,152	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.							

The bank's level of lending in low-income census tracts (8.1%) exceeded the percentage of area businesses (6.7%) and the aggregate lending level (4.8%) in such tracts. The bank's level of lending in moderate-income census tracts (16.1%) also exceeded the percentage of area businesses (11.4%) and the aggregate reporters' level of lending (8.6%) in such tracts. Overall, the bank's performance during 2023 is considered excellent.



### **Community Development Loans, Investments, and Services**

Overall, 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 six qualified investments totaling \$5.3 million and provided one community development service that benefited both of its assessment areas and the larger statewide area. CBT also supported local community development initiatives directly benefiting this assessment area by providing the following qualified activities:

- Two investments totaling approximately \$1.7 million in Fannie Mae mortgage back securities that support mortgage lending to low-to-moderate income borrowers.
- Seven donations totaling \$2,334 to organizations that provide community services to low- and moderate-income individuals within the assessment area.

**NONMETROPOLITAN AREA**

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

CBT's Nottoway, VA NonMSA assessment area is located in the southern portion of central Virginia. Within the assessment area, CBT operates seven full-service branch offices and one drive-thru facility that serve Brunswick, Cumberland, Lunenburg, Mecklenburg, Nottoway, and Prince Edward Counties in their entirety.

Recent data (June 30, 2024) from the FDIC indicates the bank ranked 3<sup>rd</sup> out of 12 institutions in local deposit market share, holding 13.8% of area deposits (excluding credit union deposits). According to the 2022 aggregate HMDA loan data, the institution ranked 7<sup>th</sup> out of 243 lenders in reported home mortgage volume, holding 3.5% of the area market share. According to the 2023 aggregate HMDA loan data, the institution ranked 6<sup>th</sup> out of 205 lenders in reported home mortgage volume, holding 3.5% of the area market share.

According to 2020 ACS data, the assessment area has a population of 105,270 and a median housing value of \$147,277. The owner occupancy rate within the area equals 52% which is slightly lower than the Commonwealth of Virginia (60%) and statewide nonmetropolitan areas (56.7%). Within the assessment area, 12.1% of families are considered below the poverty level, which is higher than both the percentage of such families in the Commonwealth of Virginia (6.8%) and statewide nonmetropolitan areas (11.5%). The 2022 and 2023 FFIEC estimated median family income for statewide nonmetropolitan areas equaled \$67,800 and \$73,800, respectively.

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

2023 Nottoway, VA NonMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	5,211	20.8
Moderate	4	11.4	3,845	15.3	583	15.2	4,699	18.7
Middle	23	65.7	17,491	69.7	1,983	11.3	5,013	20.0
Upper	6	17.1	3,745	14.9	460	12.3	10,158	40.5
Unknown	2	5.7	0	0.0	0	0.0	0	0.0
Total AA	35	100.0	25,081	100.0	3,026	12.1	25,081	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	7,334	4,075	14.4	55.6	1,721	23.5	1,538	21.0
Middle	37,850	19,677	69.7	52.0	7,725	20.4	10,448	27.6
Upper	9,095	4,489	15.9	49.4	2,368	26.0	2,238	24.6
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	54,279	28,241	100.0	52.0	11,814	21.8	14,224	26.2
	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	477	11.8	450	12.0	18	8.0	9	13.6
Middle	2,631	65.3	2,437	65.2	152	67.3	42	63.6
Upper	908	22.5	839	22.4	55	24.3	14	21.2
Unknown	14	0.3	12	0.3	1	0.4	1	1.5
Total AA	4,030	100.0	3,738	100.0	226	100.0	66	100.0
Percentage of Total Businesses:				92.8		5.6		1.6
	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	46	14.0	41	13.0	5	41.7	0	0.0
Middle	226	68.7	220	69.6	5	41.7	1	100.0
Upper	57	17.3	55	17.4	2	16.7	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	329	100.0	316	100.0	12	100.0	1	100.0
Percentage of Total Farms:				96.0		3.6		0.3
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.								

According to 2022 data published by the FFIEC, three middle-income census tracts within Brunswick, three in Lunenburg, and four in Prince Edward counties are designated as being either distressed due to high poverty rates or being underserved. According to 2023 data published by the FFIEC, three middle-income census tracts within Brunswick, three in Lunenburg, and three in Nottoway Counties are designated as being either distressed due to high poverty rates or being underserved. The underserved designation indicates the local community may not have access to routine community services.

Major area employers include Longwood University, Lunenburg County Public School, Cumberland County School Board, Virginia Center for Behavioral Rehabilitation, and Mecklenburg County School Board. The following table reflects the average annual unemployment rates for the area.

<b>Nottoway, VA NonMSA Unemployment Rates</b>					
<b>Area</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Nottoway, VA NonMSA	3.6%	6.6%	4.6%	3.6%	3.7%
Brunswick County, VA	4.6%	8.2%	6.1%	4.5%	4.6%
Cumberland County, VA	3.0%	6.3%	4.2%	3.3%	3.5%
Lunenburg County, VA	3.1%	5.5%	3.8%	3.3%	3.3%
Mecklenburg County, VA	4.0%	7.0%	4.7%	3.5%	3.6%
Nottoway County, VA	2.7%	5.2%	3.7%	2.9%	3.0%
Prince Edward County, VA	3.7%	6.7%	4.8%	3.8%	4.1%
NonMSA Virginia	3.5%	7.0%	4.4%	3.3%	3.4%
Virginia	2.8%	6.4%	3.9%	2.8%	2.9%
<i>Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics</i>					

As indicated in the preceding table, during 2020, which was the peak of the COVID-19 pandemic, the assessment area, statewide nonmetropolitan areas, and Commonwealth of Virginia all experienced a substantial increase in unemployment rates. Post-pandemic, unemployment rates in the assessment area have generally trended downward, and in the same direction as statewide nonmetropolitan areas and the Commonwealth.

An affordable housing official was contacted recently to discuss local economic conditions and community credit needs. The contact stated that the local area would benefit from more affordable housing and access to programs providing homebuyer assistance for low-moderate income families. Specifically, the contact stated that programs for downpayment relief would be beneficial to the area's families. The contact also mentioned that the area's economy would benefit from additional financial education opportunities. While noting such areas of opportunity, the contact indicated that area financial institutions are reasonably serving the banking needs of the local community.

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

Within the assessment area during 2023, the bank originated purchase, refinance and home improvement HMDA loans totaling \$11.1 million and small business loans totaling \$12.9 million. Accordingly, the bank's small business lending performance generally carries slightly greater weight when evaluating overall lending performance. Overall conclusions also take into account the strength of performance for each loan product/category.

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

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

### HMDA Lending

The borrower distribution performance of HMDA lending is considered excellent overall. From a loan category perspective, performance for home purchase and refinance lending is considered excellent, while home improvement lending is considered reasonable.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Nottoway, 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	10	17.9	5.4	881	9.5	2.6	4	12.1	4.2	385	5.2	1.9	20.8
Moderate	11	19.6	20.1	1,299	14.0	13.5	7	21.2	16.5	1,018	13.7	10.6	18.7
Middle	9	16.1	21.3	924	10.0	17.7	2	6.1	20.9	540	7.3	17.0	20.0
Upper	16	28.6	35.5	4,902	53.0	50.6	15	45.5	37.6	4,150	56.0	49.2	40.5
Unknown	10	17.9	17.7	1,244	13.4	15.5	5	15.2	20.8	1,322	17.8	21.3	0.0
Total	56	100.0	100.0	9,250	100.0	100.0	33	100.0	100.0	7,415	100.0	100.0	100.0
Refinance Loans													
Low	3	15.8	9.8	124	6.1	5.3	7	38.9	10.9	452	19.1	5.3	20.8
Moderate	4	21.1	20.4	280	13.9	15.4	1	5.6	20.1	24	1.0	13.7	18.7
Middle	4	21.1	22.2	361	17.9	20.9	2	11.1	19.7	231	9.8	17.5	20.0
Upper	5	26.3	34.3	636	31.5	44.6	6	33.3	32.3	1,503	63.5	42.5	40.5
Unknown	3	15.8	13.4	618	30.6	13.8	2	11.1	16.9	157	6.6	21.0	0.0
Total	19	100.0	100.0	2,019	100.0	100.0	18	100.0	100.0	2,367	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.6	0	0.0	1.7	0	0.0	6.4	0	0.0	3.2	20.8
Moderate	3	33.3	20.2	350	35.8	14.2	1	8.3	16.0	30	2.3	9.5	18.7
Middle	2	22.2	27.5	29	3.0	18.3	4	33.3	19.2	410	32.1	16.5	20.0
Upper	4	44.4	45.0	600	61.3	59.2	7	58.3	50.4	838	65.6	65.6	40.5
Unknown	0	0.0	2.8	0	0.0	6.6	0	0.0	8.0	0	0.0	5.3	0.0
Total	9	100.0	100.0	979	100.0	100.0	12	100.0	100.0	1,278	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	13	15.5	6.9	1,005	8.2	3.4	11	17.5	5.9	837	7.6	2.6	20.8
Moderate	18	21.4	20.1	1,929	15.7	14.2	9	14.3	18.0	1,072	9.7	11.4	18.7
Middle	15	17.9	21.8	1,314	10.7	18.5	8	12.7	20.3	1,181	10.7	17.0	20.0
Upper	25	29.8	35.7	6,138	50.1	49.0	28	44.4	37.3	6,491	58.7	48.5	40.5
Unknown	13	15.5	15.6	1,862	15.2	15.0	7	11.1	18.5	1,479	13.4	20.5	0.0
Total	84	100.0	100.0	12,248	100.0	100.0	63	100.0	100.0	11,060	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 Loans

CBT's home purchase lending performance is considered excellent.

During 2023, the bank's percentage of home purchase loans to low-income borrowers (12.1%) lagged the percentage of area low-income families (20.8%), but it significantly exceeded the aggregate reporters' level of lending (4.2%). CBT's percentage of lending to moderate-income borrowers (21.2%) exceeded both the percentage of area moderate-income families (18.7%) and the aggregate lending level (16.5%). The bank's level of lending to low- and moderate-income borrowers during 2023 is considered excellent, and its performance in 2022 is similar.

*Refinance Loans*

The bank's refinance lending performance is considered excellent.

During 2023, CBT's level of refinance lending to low-income borrowers (38.9%) significantly exceeded the percentage of low-income families within the assessment area (20.8%) and the aggregate level of lending (10.9%). The bank's lending to moderate-income borrowers (5.6%) significantly lagged the percentage of area moderate-income families (18.7%) and the aggregate level of lending (20.1%). Overall, the bank's level of lending to low- and moderate-income borrowers during 2023 is considered excellent, and this conclusion is driven by its lending to low-income borrowers. CBT's 2022 performance is similar.

*Home Improvement*

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

During 2023, the bank did not originate any home improvement loans to low-income borrowers. By comparison, the percentage of low-income families within the assessment area equaled 20.8% and the aggregate lending level equaled 6.4% to such borrowers. The bank's lending to moderate-income borrowers (8.3%) lagged the percentage of area moderate-income families (18.7%) and the aggregate level of lending (16%). Overall, the bank's level of lending during 2023 is considered poor.

During 2022, the bank did not originate any home improvement loans to low-income borrowers. By comparison, the percentage of low-income families within the assessment area equaled 20.8% and the aggregate lending level equaled 4.6% to such borrowers. The bank's lending to moderate-income borrowers (33.3%) significantly exceeded the percentage of area moderate-income families (18.7%) and the aggregate level of lending (20.2%). Overall, based largely on the bank's level of lending to moderate-income borrowers, the bank's level of lending during 2022 is considered excellent.

*Small Business Lending*

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

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Nottoway, VA NonMSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	73	60.3	61.9	3,621	28.0	33.1	92.8
Over \$1 Million	47	38.8		9,109	70.5		5.6
Revenue Unknown	1	0.8		187	1.4		1.6
Total	121	100.0		12,917	100.0		100.0
By Loan Size							
\$100,000 or Less	88	72.7	95.7	3,712	28.7	43.6	
\$100,001 - \$250,000	21	17.4	2.1	3,626	28.1	12.7	
\$250,001 - \$1 Million	12	9.9	2.2	5,579	43.2	43.7	
Total	121	100.0	100.0	12,917	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	65	89.0		2,199	60.7		
\$100,001 - \$250,000	7	9.6		1,152	31.8		
\$250,001 - \$1 Million	1	1.4		270	7.5		
Total	73	100.0		3,621	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.							

The bank's level of lending to businesses with annual revenues of \$1 million or less during 2023 (60.3%) lagged the percentage of area businesses having revenues of \$1 million or less (92.8%); however, CBT's level of lending approximated the aggregate lending level (61.9%). With respect to the distribution by loan size, 72.7% of the bank's small business loans during 2023 were in amounts of \$100,000 or less compared to 95.7% of such lending by aggregate reporters. Overall, the bank's performance during 2023 is considered reasonable, 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 tracts in the assessment area and performance conclusions are based on CBT's lending in moderate-income tracts. The bank's geographic distribution performance is considered poor for both HMDA and small business lending.

### HMDA Lending

The geographic distribution performance of HMDA lending is considered poor overall. Within the assessment area, 14.4% of owner-occupied housing units are located in moderate-income tracts. This demographic proxy for credit demand is a factor in the performance conclusion for each HMDA loan category evaluated. From a loan category perspective, performance is poor for home purchase, very poor for refinance, and poor for home improvement lending. Performance for multi-family loans was not evaluated based on the relatively limited volume of such lending in this assessment area.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Nottoway, VA NonMSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	3	5.4	14.3	608	6.6	17.3	4	12.1	16.4	756	10.2	18.6	14.4
Middle	45	80.4	69.1	6,794	73.4	66.9	19	57.6	63.0	4,720	63.7	61.7	69.7
Upper	8	14.3	16.3	1,848	20.0	15.6	10	30.3	20.4	1,939	26.1	19.7	15.9
Unknown	0	0.0	0.3	0	0.0	0.1	0	0.0	0.1	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	56	100.0	100.0	9,250	100.0	100.0	33	100.0	100.0	7,415	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	13.6	0	0.0	13.8	1	5.6	13.9	36	1.5	12.5	14.4
Middle	16	84.2	67.9	1,731	85.7	66.9	15	83.3	67.2	2,222	93.9	68.7	69.7
Upper	3	15.8	17.3	288	14.3	18.5	2	11.1	18.2	109	4.6	18.2	15.9
Unknown	0	0.0	1.2	0	0.0	0.9	0	0.0	0.7	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	19	100.0	100.0	2,019	100.0	100.0	18	100.0	100.0	2,367	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	13.8	0	0.0	15.1	1	8.3	13.6	50	3.9	11.0	14.4
Middle	7	77.8	62.4	704	71.9	59.4	9	75.0	71.2	828	64.8	74.6	69.7
Upper	2	22.2	23.9	275	28.1	25.4	2	16.7	15.2	400	31.3	14.4	15.9
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	9	100.0	100.0	979	100.0	100.0	12	100.0	100.0	1,278	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	20.0	0	0.0	4.6	10.2
Middle	0	0.0	66.7	0	0.0	75.5	0	0.0	20.0	0	0.0	10.4	52.3
Upper	0	0.0	33.3	0	0.0	24.5	0	0.0	60.0	0	0.0	85.0	37.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	3	3.6	14.1	608	5.0	15.7	6	9.5	15.6	842	7.6	16.9	14.4
Middle	68	81.0	68.2	9,229	75.4	67.1	43	68.3	64.7	7,770	70.3	62.7	69.7
Upper	13	15.5	17.2	2,411	19.7	16.8	14	22.2	19.5	2,448	22.1	20.3	15.9
Unknown	0	0.0	0.5	0	0.0	0.3	0	0.0	0.3	0	0.0	0.2	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	84	100.0	100.0	12,248	100.0	100.0	63	100.0	100.0	11,060	100.0	100.0	100.0
Source: 2023 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													



Home Purchase Lending

The bank's home purchase lending performance is considered poor overall. This conclusion considers the relative strength of performance each year and slightly greater weight given to its lending in 2022 given a larger dollar volume of lending in that year.

During 2023, CBT's lending in moderate-income tracts (12.1%) slightly lagged the percentage of owner-occupied housing units located in such tracts (14.4%) and the aggregate lending level (16.4%). This level of performance is considered reasonable.

In 2022, the bank's lending level in moderate-income tracts (5.4%) significantly lagged the demographic proxy for demand and the aggregate lending level (14.3%), and its performance is considered poor.

Refinance Lending

The bank's refinance lending performance is considered very poor overall. This conclusion considers the relative strength of performance each year and comparable weight for each year's performance given comparable dollar volumes of lending each year.

CBT's lending in moderate-income tracts in 2023 (5.6%) significantly lagged the demographic proxy for demand and the aggregate lending level (13.9%). This level of performance is considered poor.

During 2022, the bank did not originate any refinance loans in moderate-income tracts despite there being lending opportunities as evidenced by the percentage of owner-occupied units and the aggregate lending level (13.6%). CBT's performance is considered very poor.

Home Improvement Lending

The bank's home improvement lending performance is considered poor overall. This conclusion considers the relative strength of performance and comparable dollar volumes of lending each year.

In 2023, CBT's lending in moderate-income tracts (8.3%) lagged the aggregate lending level (13.6%) and demographic proxy for credit demand in such tracts, but overall, this performance level is considered reasonable.

In 2022, the bank did not originate any home improvement loans in moderate-income tracts, despite there being lending opportunities as evidenced by demographic proxy for demand and the aggregate lending level (13.8%). This level of performance is considered very poor.

Small Business Lending

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

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Nottoway, 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	8	6.6	12.5	291	2.3	5.3	11.8
Middle	64	52.9	65.6	5,634	43.6	75.4	65.3
Upper	48	39.7	21.5	6,984	54.1	19.1	22.5
Unknown	1	0.8	0.0	9	0.1	0.0	0.3
Tract-Unk	0	0.0	0.5	0	0.0	0.1	
<b>Total</b>	<b>121</b>	<b>100.0</b>	<b>100.0</b>	<b>12,917</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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.							

As previously mentioned, there are no low-income census tracts in the assessment area. CBT's lending in moderate-income tracts (6.6%) is significantly less than both the percentage of area businesses located in such tracts (11.8%) and the aggregate reporters' lending level (12.5%). This performance level is poor.

### Community Development Loans, Investments, and Services

Overall, 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 available, but somewhat limited, within the assessment area based upon discussions with an individual knowledgeable of the local community and the review of performance evaluations of 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 six qualified investments totaling \$5.3 million and provided one community development service that benefited both of its assessment areas and the larger statewide area. CBT supported local community development initiatives directly benefiting this assessment area by providing the following qualified activities:

- One donation totaling \$5,000 to an organization that facilitates economic development.
- Seven employees provided financial expertise by serving on the board or committee of organizations that provide either community services to low- and moderate-income residents or support economic development in the assessment area.
- One employee provided financial literacy training to a local school with predominately low- and moderate-income students.

**CRA APPENDIX A**

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

The following table includes the distribution of branch offices, along with deposit and loan volume, by assessment area. The deposit volume is current as of June 30, 2024, while the loan volume includes 2022 and 2023 HMDA loans and 2023 small business loans extended within the bank's assessment areas.

Assessment Area	Loan Volume				Branches		Deposit Volume as of (6/30/2024)	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Nottoway, VA NonMSA AA	268	65.5%	\$36,225	55.8%	8	66.7%	\$316,464	65.4%
Richmond, VA AA	141	34.5%	\$28,649	44.2%	4	33.3%	\$167,496	34.6%
<b>TOTAL</b>	409	100%	\$64,874	100%	12	100%	\$483,960	100%

**CRA APPENDIX B**  
**BRANCHING ACTIVITY**

<b>Assessment Area</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Tract Income Level</b>	<b>Opened/Closed/ Existing</b>
Nottoway, VA NonMSA	102 Second St. NW	Burkeville	VA	23922	Middle	Existing
Nottoway, VA NonMSA	210 Carter St.	Crewe	VA	23930	Middle	Existing
Nottoway, VA NonMSA	1517 West Third St.	Farmville	VA	23901	Middle	Existing
Nottoway, VA NonMSA	1575 South Main St.	Blackstone	VA	28277	Middle	Existing
Nottoway, VA NonMSA	622 East Atlantic St.	South Hill	VA	28001	Middle	Existing
Nottoway, VA NonMSA	101 North Main St.	Blackstone	VA	28001	Upper	Existing
Nottoway, VA NonMSA	1712 South Main St.	Farmville	VA	28128	Upper	Existing
Nottoway, VA NonMSA	126 South Main St.	Blackstone	VA	28129	Upper	Existing
Richmond, VA	9060 North Five Forks Road	Amelia Court House	VA	28001	Middle	Existing
Richmond, VA	497 Southpark circle	Colonial Heights	VA	23834	Middle	Existing
Richmond, VA	12101 Olivers way	Chester	VA	23831	Upper	Existing
Richmond, VA	2501 Anderson Highway	Powhatan	VA	28097	Upper	Existing

## 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.