



PUBLIC DISCLOSURE

February 22, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American National Bank and Trust Company

Charter Number 9343

628 Main Street
Danville, Virginia 24541

Office of the Comptroller of the Currency
Roanoke Field Office
4419 Pheasant Ridge Road, Suite 300
Roanoke, Virginia 24014

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not 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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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of American National Bank and Trust Company with respect to the Lending, Investment, and Service Tests:

Performance Levels	Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based primarily on the High Satisfactory performance in the state of Virginia and Low Satisfactory performance in the state of North Carolina.
- The Investment Test rating is based on the Low Satisfactory performance in the state of Virginia and Needs to Improve performance in the state of North Carolina.
- The Service Test rating is based on the High Satisfactory performance in the state of Virginia and Low Satisfactory performance in the state of North Carolina.

Lending in Assessment Area

A high percentage of the bank’s loans are in its assessment areas (AA).

The bank originated and purchased 90.6 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,796	88.2	240	11.8	2,036	347,350	77.5	101,046	22.5	448,396
Small Business	3,150	92.1	272	7.9	3,422	551,614	89.4	65,505	10.6	617,119
Total	4,946	90.6	512	9.4	5,458	898,964	84.4	166,551	15.6	1,065,515

This performance was given positive consideration into the overall analysis of the geographic distribution of lending by income level of geography.

Description of Institution

American National Bank and Trust Company (ANB) is a \$2.5 billion interstate financial institution, established in 1909 and headquartered in Danville, Virginia. The bank is wholly owned by American National Bankshares Inc. (Nasdaq: AMNB), a publicly traded company. The bank does not have any affiliates or subsidiaries.

ANB is a full-service community bank offering traditional deposit and loan products for both personal and business customers. Deposit products include checking and savings accounts, money market accounts, certificates of deposit, health savings accounts, and commercial sweep accounts. Lending products include conventional mortgages, home equity lines of credit, personal loans, credit cards, overdraft protection, commercial lines of credit, and small business administration (SBA) loans. The bank provides various alternate delivery methods for customers to access their accounts including automatic teller machine (ATM) access, telephone banking, online banking, and mobile banking applications. In addition to traditional banking products, the bank offers trust and asset management services, investment management, and brokerage assets through its wealth division. Furthermore, the bank offers insurance services through a partnership with Bankers Insurance LLC.

ANB operates 33 branches, with 23 branches in Virginia and 10 branches in North Carolina. In Virginia, the bank designated five assessment areas (AAs): Southside AA; Roanoke AA; Lynchburg AA; Christiansburg AA; and Lovingston AA. In North Carolina, the bank designated four AAs: Greensboro AA; Burlington AA; Winston-Salem AA; and Yanceyville AA. ANB operates 45 ATMs: 36 in Virginia and 9 in North Carolina.

In August 2017, the bank exited Nelson County, Virginia, which was the bank's only location in the Lovingston AA. This branch had been acquired through a prior merger with Community First Bank. Closing of the branch was in response to the low volume of transactions at this branch. Deposits held at this branch were acquired by another local community bank within this assessment area.

In April 2017, the bank established a de novo banking presence at a temporary location in Winston-Salem, North Carolina, while searching for a more permanent location in this market. The bank opened its permanent Winston-Salem location in September 2019.

In April 2019, the bank acquired HomeTown Bank, which expanded the bank's presence in the Roanoke AA and established a presence in Montgomery County, Virginia, which is in the bank's Christiansburg AA.

As of December 31, 2019, the bank reported total assets of \$2.5 billion, total deposits of \$2.1 billion, tier one capital of \$243.4 million, and net loans totaled \$1.8 billion. The table below depicts the loan portfolio by loan product as of December 31, 2019.

Loan Categories as of Review Period Date*		
TYPE OF LOAN	Balance Outstanding (\$000s)	% OF TOTAL LOANS
Non-Farm/Non-Residential Real Estate	750,522	41.98
1-4 Family Residential	445,765	24.93
Commercial & Industrial	270,161	15.11
Construction & Land Development	150,539	8.42
Multi-family Residential	136,058	7.61
Farm loans	2,469	0.14
Loans to Individuals	10,747	0.60
Obligations of State and Political Subdivisions	44,975	2.45
Other	21,606	1.21
Total	1,832,842	100.00

*Schedule RC-C Part 1 - Loans and Leases as reported in the Consolidated Reports of Condition and Income as of December 31, 2019.

There are no legal, financial, or other impediments to ANB's ability to help or meet the credit needs within its communities.

ANB received a Satisfactory rating in its April 3, 2017 Community Reinvestment Act (CRA) evaluation by the OCC.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation assessed the bank's CRA performance under large bank Lending, Investment, and Service Tests. The evaluation period for the Lending Test, except community development (CD) loans, was January 1, 2017 through December 31, 2019. The CD loans and Investment and Service Tests evaluation period was from April 3, 2017 through December 31, 2019.

In evaluating the Bank's lending performance, the OCC reviewed home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and small loans to businesses reportable under the CRA. All home mortgage products were reviewed, and conclusions were reached in aggregate. The OCC did not consider small loans to farms as a primary loan product, as the bank did not originate a sufficient volume of this loan product to conduct a meaningful analysis during the evaluation period.

Under the Lending Test geographic distribution and borrower income distribution criteria, we performed a combined analysis of data from January 1, 2017 through December 31, 2019. The bank's data was compared to the 2015 American Community Survey (ACS). This interim census activity updated income, population, and housing information. The ACS also resulted in changes to the income designations of some geographies. The changes became effective January 1, 2017.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the COVID-19 Pandemic across the United States are not addressed in this evaluation. Bank qualifying activities related to this pandemic will be considered in the subsequent evaluation.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Please refer to the “Scope” section under each State Rating section for details regarding how full-scope AAs were selected. Please refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state rating. The state of Virginia rating area carried the greatest emphasis in the OCC’s conclusions, as this assessment area represented ANB’s most significant market with approximately 76 percent of the bank deposits, 67 percent of HMDA and small loans to businesses originated and purchased, and 69 percent of the branch network. Slightly more consideration was given to small loans to businesses than HMDA loans. Please refer to the “Scope” section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

The state ratings are based on performance in all bank AAs. Please refer to the “Scope” section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR §25.28(c) or §195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Virginia

CRA rating for the State of Virginia: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to credit needs, considering the number and amount of home mortgage and small business loans in the AA.
- The bank exhibits a good geographic distribution of home mortgage loans and small business loans in the AAs.
- The bank exhibits generally good distribution in AAs of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution.
- The bank made a relatively high level of CD loans.
- The bank has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The bank's branches and alternative delivery systems are accessible to geographies and individuals of different income levels in its AAs.
- The bank provided a relatively high level of CD services, predominately in the Southside AA.

Description of Institution's Operations in Virginia

ANB operated in five AAs within the state of Virginia. The bank includes the full counties of Franklin, Roanoke, four contiguous census tracts (CTs) in Botetourt County, and the cities of Roanoke and Salem in the Roanoke AA. The bank included the full counties of Bedford and Campbell and the city of Lynchburg in the Lynchburg AA. The Southside Non-MSA AA (Southside AA) is comprised of the cities of Danville and Martinsville and counties of Pittsylvania, Henry, and Halifax. The Christiansburg AA is comprised of the entire Montgomery County. For part of 2017, the bank operated in Nelson County, which was designated as the Lovingston AA. However, the bank closed the branch in this market and exited this AA on August 18, 2017.

ANB operated 23 branches and 36 ATMs in the state of Virginia during the evaluation period. Based on the FDIC Deposit Market Share data as of June 30, 2019, the bank had \$1.5 billion in deposits in the state of Virginia. Lending in the bank's Virginia AAs accounted for 67 percent of the bank's total during the evaluation period. Virginia is the bank's largest concentration of both loans and deposits. Competition within the state of Virginia is comprised of other local community banks, banks with large national footprints, as well as nonbank financial institutions that compete for business and residential loans. The bank offers the same products and services throughout all AAs in the state of Virginia.

Community credit needs in the full-scope AAs in the state of Virginia were determined by reviewing recent housing and demographic information and conducting community contacts. The most critical needs identified from the community contacts were loans and assistance to small businesses, investment in affordable housing projects, financial literacy, and access to banking for low- and moderate-income (LMI) individuals and families.

Southside AA

The bank’s delineated Southside AA is comprised of the entire counties of Pittsylvania, Henry, and Halifax, as well as the independent cities of Danville and Martinsville. There are 60 census tracts (CTs) in this area: one low-income CT; 16 moderate-income CTs; 38 middle-income CTs; four upper-income CTs; and one CT was not assigned an income designation. There are seven middle-income CTs characterized as distressed or underserved in the Southside AA. ANB operated ten branches in the Southside AA with one branch located in a low-income CT and two branches located in moderate-income CTs. The bank also operated 19 ATMs in this AA. The AA complies with the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

ANB’s headquarters are located in the Southside AA, and a majority of the bank’s operations are based out of this AA. FDIC’s Deposit Market Share data as of June 30, 2019, reported the bank held 21.8 percent of deposits in this AA, ranking second behind another regional community bank. Deposits in the Southside AA account for 50 percent of ANB’s total deposits in the state of Virginia. Additionally, a majority of the bank’s home mortgage and small loans to businesses, approximately 45 percent, originated in the Southside AA.

Lending activities in the Southside AA account for 44 percent of the bank’s total volume of HMDA and CRA purchases and originations in Virginia. ANB is one of the leading mortgage and small business lenders in the Southside AA. Based on 2019 peer mortgage data, ANB ranked second with 6.4 percent market share out of 217 mortgage lenders. Based on 2019 peer small business data, ANB ranked third with 11.2 percent market share out of 63 small business lenders in the AA.

Demographic information for the Southside AA is included in the table below.

Demographic Information of the Assessment Area						
Assessment Area: Southside AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	60	1.7	26.7	63.3	6.7	1.7
Population by Geography	206,954	1.8	24.1	66.8	7.3	0.0
Housing Units by Geography	105,119	1.8	25.3	65.9	7.0	0.0
Owner-Occupied Units by Geography	60,285	0.9	21.9	69.4	7.8	0.0
Occupied Rental Units by Geography	27,050	3.3	31.3	59.1	6.4	0.0
Vacant Units by Geography	17,784	2.3	28.1	64.7	4.9	0.0
Businesses by Geography	11,261	0.8	20.0	67.6	11.4	0.2
Farms by Geography	552	0.2	10.9	84.6	4.3	0.0
Family Distribution by Income Level	56,327	24.2	18.4	21.9	35.5	0.0
Household Distribution by Income Level	87,335	27.6	17.4	18.1	37.0	0.0
FFIEC Median Family Income Non-MSAs – VA		\$51,600	Median Housing Value			\$100,352
			Median Gross Rent			\$596
			Families Below Poverty Level			14.5%
<i>Source: 2015 ACS Census and 2019 D&B Data Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Housing Affordability

When looking at housing affordability, the Southside AA has a relatively low cost of living that makes home ownership affordable for most LMI persons. The table below illustrates housing affordability calculations for the AA. The monthly mortgage payment calculations assume a 30-year mortgage with a five percent interest rate, and do not account for down payment, homeowner’s insurance, real estate taxes, or any additional monthly expenses. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the 2019 FFIEC adjusted median family income for the AA, respectively. As the table illustrates, both low- and moderate-income borrowers would be able to afford a home in the Southside AA. However, LMI families may find it difficult to afford a home once factoring in real estate taxes and insurance.

MSA Name	2019 Updated FFIEC MFI	Maximum Low-Income Annual	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Maximum Moderate-Income Annual Income	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Mortgage Payment Based on List Price	2019 Median Home List Price*
Southside AA	\$56,100	\$28,050	\$130,630	\$701	\$44,880	\$209,008	\$1,122	\$599	\$111,617

* Source - Relator.com 2019 county median housing list price

Economic Data

The economic conditions in the Southside AA compare unfavorably with other areas in Virginia but are slowly improving. The Southside AA had been negatively impacted by the decline in the textile, furniture making, and tobacco industries. As a result, the cities and counties in the Southside AA have historically recorded higher unemployment rates and poverty levels compared to other parts of Virginia. However, there have been efforts to help revitalize this AA. In recent years there has been a plan to reuse abandoned mills and warehouses, turning them into residential and office spaces, particularly in Danville, Virginia. Henry County and the city of Martinsville have also experienced some growth in jobs with manufacturing companies expanding operations in this area. Most individuals in this AA derive income from hourly wages, with most jobs centered in the manufacturing, healthcare, and retail sectors. Major employers in the Southside AA include Goodyear Tire and Rubber Co., Buitoni Foods Co., SOVAH Health, and local governments and school systems.

As of December 31, 2019, the unemployment rate reported by the U.S. Bureau of Labor Statistic for the city of Danville, city of Martinsville, Halifax County, Henry County, and Pittsylvania compared unfavorably to the state average of 2.5 percent, at 4.4 percent, 4.0 percent, 3.6 percent, 3.1 percent, and 2.9 percent, respectively.

Community Contact

As part of this evaluation, the OCC completed a community contact within the Southside AA to determine local economic conditions and community needs. This contact indicated needs in this AA included small business loans and deposit products, affordable housing products for LMI families, and more engagement from financial institutions to support affordable housing projects.

Roanoke AA

The bank's delineated Roanoke AA is comprised of the entire counties of Franklin and Roanoke; four contiguous CTs in Botetourt County that border the northern part of Roanoke County; and the independent cities of Roanoke and Salem. There are 60 census tracts (CTs) in this AA: three low-income CT; 13 moderate-income CTs; 28 middle-income CTs; and 16 upper-income CTs. The bank operated eight branches in the Roanoke MSA. No branches are in low-income CTs and one branch is located in a moderate-income CT. ANB operated 11 ATMs in this AA. The AA complies with the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

ANB expanded its operations and footprint further into this AA with the HomeTown Bank merger in Aril 2019. The June 30, 2019 FDIC Deposit Market Share data reported the bank held 8.1 percent of deposits in the AA, ranking the bank fifth in the AA. The top four financial institutions in market held over 63 percent of the AA's deposits and are held in banks with a large national footprint and a large regional bank. Deposits in the Roanoke AA account for 38 percent of ANB's total deposits in Virginia.

Lending activities in the Roanoke AA account for 36 percent of the bank's total volume of HMDA and CRA purchases and originations in Virginia. Based on 2019 peer mortgage data, ANB ranked fifteenth with 2.0 percent market share. There is a high level of competition for mortgage loans in the Roanoke AA, with the bank competing with over 250 mortgage lenders in this AA. Top mortgage lenders in the AA are comprised of banks with a large national footprint and mortgage companies. Competition for small business loans is more modest. Based on 2019 peer small business data, ANB ranked seventh with 6.2 percent market share in the Roanoke AA. The top small business lenders are large national banks.

Demographic information for the Roanoke AA is included in the table below.

Demographic Information of the Assessment Area						
Assessment Area: Roanoke AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	60	5.0	21.7	46.7	26.7	0.0
Population by Geography	294,129	3.6	23.0	44.4	29.1	0.0
Housing Units by Geography	136,331	3.4	23.1	44.4	29.1	0.0
Owner-Occupied Units by Geography	82,748	1.5	19.7	44.9	33.9	0.0
Occupied Rental Units by Geography	38,689	6.7	29.3	44.3	19.8	0.0
Vacant Units by Geography	14,894	4.9	26.0	42.1	27.0	0.0
Businesses by Geography	23,675	2.8	15.9	49.1	32.2	0.0
Farms by Geography	754	1.6	22.7	43.9	31.8	0.0
Family Distribution by Income Level	78,609	20.0	17.5	22.4	40.1	0.0
Household Distribution by Income Level	121,437	24.1	16.0	19.0	40.8	0.0
FFIEC Median Family Income MSA - 40220 Roanoke, VA MSA		\$71,200	Median Housing Value			\$180,432
			Median Gross Rent			\$749
			Families Below Poverty Level			10.2%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Housing Affordability

When looking at housing affordability, the Roanoke AA has a relatively moderate cost of living. The table below illustrates housing affordability calculations for the AA. The monthly mortgage payment calculations assume a 30-year mortgage with a five percent interest rate, and do not account for down payment, homeowner’s insurance, real estate taxes, or any additional monthly expenses. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the 2019 FFIEC adjusted median family income for the MSA, respectively. As the table illustrates, while a moderate-income family could find housing affordable in the Roanoke AA, a low-income family would be challenged to afford a home at the median list price. Some moderate-income families may also find it difficult to afford housing in Roanoke once factoring in closing costs and real estate taxes and insurance.

MSA Name	2019 Updated FFIEC MFI	Maximum Low-Income Annual	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Maximum Moderate-Income Annual Income	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Mortgage Payment Based on List Price	2019 Median Home List Price*
Roanoke AA	\$71,200	\$35,600	\$165,791	\$890	\$56,960	\$265,265	\$1,424	\$1,091	\$203,225

* Source - Realtor.com 2019 county median housing list price

Economic Data

Economic conditions in the Roanoke MSA are improving. According to the December 2019 Moody’s Analytic report, Roanoke’s economic growth lagged in 2017 compared to state and national trends, but in 2019, job growth outpaced the state and national rates. This job growth was primarily centered in consumer industries, manufacturing, and healthcare. Private employers in Roanoke are adding to their payrolls and the average hourly wages have increased. The largest employers in the AA include Roanoke Memorial Community Hospital, Carilion Services, Kroger, Advance Auto Parts, M.W. Manufactures, HCA Virginia Health Systems, and Wells Fargo Bank, N.A. (Wells Fargo).

The healthcare industry is prominent in the Roanoke MSA and growing. The Roanoke MSA serves as the medical hub for the western part of Virginia. Carilion Services continues to expand its operations within the Roanoke AA and surrounding areas and has planned investments of \$1 billion in capital improvements in the AA over the next seven years. Additional investments in the healthcare industry are needed in the Roanoke MSA due to the growing retirement-age population and population demand for more convenient and specialized treatment centers.

The Roanoke MSA provides good transportation and infrastructure to operate businesses. The manufacturing industry holds a modest market share in the Roanoke MSA. The area serves as a regional distribution hub given its easy access to major highways and proximity to major Mid-Atlantic population centers.

According to the U.S. Bureau of Labor Statistics, the unemployment rate in the Roanoke AA declined throughout the evaluation period. The unemployment rate in the city of Roanoke was the highest at 4.8 percent in January 2017 and declined to 2.7 percent by December 2019. The unemployment rate in the Roanoke AA was comparable to the overall unemployment rate for the state of Virginia, which ranged from a high of 4.0 percent, and a low 2.7 percent during the same time periods.

As part of this evaluation, the OCC completed a community contact within the Roanoke AA to determine local economic conditions and community needs. This contact indicated needs for small business lending and providing technical assistance to small businesses regarding the lending process and lending requirements for small businesses. Additionally, this contact indicated the need for additional collaboration from financial institutions to support LMI projects.

Lynchburg AA

The bank's delineated Lynchburg AA is comprised of the entire counties of Bedford and Campbell and independent city of Lynchburg. There are 48 census tracts (CTs) in this AA: one low-income CT; 12 moderate-income CTs; 27 middle-income CTs; and 8 upper-income CTs. The bank operated three branches in the Lynchburg AA. No branches are located in low- or moderate-income CTs. ANB operated four ATMs in this AA. The AA complies with the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

FDIC Deposit Market Share data as of June 30, 2019, reported the bank held 1.9 percent of deposits in the AA, ranking the bank 11th out of 16 institutions in the Lynchburg AA. The top five financial institutions in the market held over 66 percent of the AAs deposit and are held by banks with large national footprints and local community banks. Deposits in Lynchburg account for only 5 percent of the bank's total deposits in Virginia.

Lending activities in the Lynchburg AA account for 17 percent of the bank's total volume of HMDA and CRA purchases and originations. Based on 2019 peer mortgage data, ANB ranked twenty-eighth with less than 1 percent market share. There is a high level of competition for mortgage loans in the Lynchburg AA, with the bank competing with over 230 mortgage lenders in this AA. Top mortgage lenders in the AA are comprised of banks with large national footprints and mortgage companies. Competition for small business loans is more modest. Based on 2019 peer small business data, ANB ranked ninth with 3.5 percent market share in the Lynchburg AA. The top small business lenders in this AA are banks with large national footprints.

Demographic information for the Lynchburg AA is included in the table below.

Demographic Information of the Assessment Area						
Assessment Area: Lynchburg AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	48	2.1	25.0	56.3	16.7	0.0
Population by Geography	209,633	2.3	21.3	55.4	21.1	0.0
Housing Units by Geography	92,898	2.6	21.7	56.6	19.1	0.0
Owner-Occupied Units by Geography	55,880	1.9	14.2	59.7	24.3	0.0
Occupied Rental Units by Geography	25,030	3.8	37.9	45.2	13.2	0.0
Vacant Units by Geography	11,988	3.3	23.2	66.5	7.0	0.0
Businesses by Geography	14,989	1.3	21.4	51.9	25.3	0.0
Farms by Geography	628	1.1	8.1	67.8	22.9	0.0
Family Distribution by Income Level	53,342	20.8	17.4	21.5	40.3	0.0
Household Distribution by Income Level	80,910	24.3	15.8	18.1	41.8	0.0
FFICE Median Family Income MSA -31340 Lynchburg, VA MSA		\$68,900	Median Housing Value			\$171,188
			Median Gross Rent			\$752
			Families Below Poverty Level			11.2%

Source: 2015 ACS and 2019 D&B Data Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

Housing Affordability

When looking at housing affordability, the Lynchburg AA has a relatively modest cost of living that makes homeownership affordable for most LMI families. The table below illustrates housing affordability calculations for the bank’s Lynchburg AA. The monthly mortgage payment calculations assume a 30-year mortgage with a 5 percent interest rate, and not accounting for down payment, homeowner’s insurance, real estate taxes, or any additional monthly expenses. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the 2019 FFIEC adjusted median family income for the MSA, respectively. As the table illustrates, only low-income borrowers in the Lynchburg AA would be challenged to afford a mortgage at the median home listing price. However, moderate-income borrowers may also find it difficult to afford a home, when factoring in closing costs, insurance, and real estate taxes.

MSA Name	2019 Updated FFIEC MFI	Maximum Low-Income Annual	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Maximum Moderate-Income Annual Income	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Mortgage Payment Based on List Price	2019 Median Home List Price*
Lynchburg AA	\$68,900	\$34,450	\$160,435	\$861	\$55,120	\$256,696	\$1,378	\$1,154	\$214,900

* Source - Realtor.com 2019 county median housing list price

Economic Condition

Economic conditions in the Lynchburg AA are in a recovery phase and the AA is growing at a slower pace than other regions in the state of Virginia. According to the December 2019 Moody’s Analytic report, the Lynchburg area saw little job growth at year-end 2019, there have been job losses in Lynchburg’s manufacturing and government industries, and average hourly wages have softened. Lynchburg’s population has high concentrations of millennials and retirees. The Lynchburg AA economy is primarily driven by education, healthcare, service, and leisure/hospitality industries. The largest employers in the AA include Liberty University, Centra Health, J Crew Outfitters, Badcock & Wilcox Nuclear, Framatone, and Lynchburg College.

Lynchburg is home to one of Virginia’s largest universities, Liberty University, which is also the AA’s largest employer. With a strong and growing enrollment, the student population in the AA continues to grow. However, the expanding student population leads to students seeking housing at rental properties, as well as more service-related jobs that typically pay lower wages.

According to the U.S. Bureau of Labor Statistics, the unemployment rate in the Lynchburg AA declined throughout the evaluation period. The unemployment for most of the Lynchburg AA was the comparable to state unemployment rate. Unemployment in the AA typically ranged from a high of 4.8 percent in January 2017, to a low of 2.6 percent in December 2019, whereas the state unemployment rate during the same time was a high of 4.0 percent, and a low of 2.7 percent. However, the unemployment rate in the city of Lynchburg fared slightly worse, with a high of 5.4 percent and a low of 3.2.

Community Contacts

As part of the CRA evaluation, the OCC completed two community contacts within the Lynchburg AA to determine local economic conditions and community needs. One community contact indicated the need for small business capital in the AA. The other community contact indicated the need for access to banks, additional banking services, and financial literacy for LMI families.

Scope of Evaluation in the State of Virginia

The OCC conducted full-scope review of the Southside AA, Roanoke AA, and Lynchburg AA. The Southside AA represents 33 percent of the bank’s total home mortgage lending, 38 percent of total deposits, and 31 percent of total branches. The Roanoke AA represents 23 percent of the bank’s total home mortgage lending, 29 percent of total deposits, and 25 percent of total branches. The Lynchburg AA represents 11 percent of the bank’s total home mortgage lending, 4 percent of total deposits, and 9 percent of total branches. The Southside AA received substantially more weight than the other AAs. Small business loans were given more consideration than home mortgage loans when arriving at the bank’s overall lending performance. All other AAs with the state of Virginia received limited-scope review. Refer to the table in appendix A for a list of AAs under review.

Conclusions with Respect to Performance Tests in Virginia

LENDING TEST

The bank’s performance under the Lending Test in Virginia is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Southside AA, Roanoke AA, and Lynchburg AA is good.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State Loans	% State Deposits
Southside AA	585	878	6	1463	44%	50%
Roanoke AA	408	791	1	1200	36%	38%
Lynchburg AA	191	265	3	559	17%	5%
Christiansburg AA	45	30	0	75	2%	7%
Lovington AA	3	3	0	6	0%	0%

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loan (\$000)						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State* Loans	% State Deposits
Southside AA	\$72,884	\$113,462	\$20,834	\$207,180	40%	50%
Roanoke AA	\$74,776	\$117,255	\$750	\$192,781	37%	38%
Lynchburg AA	\$37,752	\$62,418	\$1,186	\$101,356	20%	5%
Christiansburg AA	\$10,107	\$6,506	\$0	\$16,613	3%	7%
Lovington AA	\$155	\$170	\$0	\$325	0%	0%

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Southside AA

According to the June 30, 2019 FDIC Deposit Market Share data, ANB ranked second in total deposits within the AA, with 21.8 percent market share. The bank's deposit rank placed them in the top 14 percent of all depository institutions in the AA. Carter Bank and Trust was ranked first with 28.9 percent deposit market share.

Based on the 2019 peer mortgage data, ANB ranked second, with 6.4 percent market share. The bank's ranking placed them in the top one percent of all mortgage lenders in the AA. Competition for mortgages in the Southside AA is strong, with 217 mortgage lenders in the AA. The top mortgage lender in the Southside AA was Quicken Loans with 7.5 percent mortgage lending market share.

Based on the 2019 peer small business data, ANB ranked third with 11.2 percent market share, which placed the bank in the top five percent of all small business lenders. Competition for small business loans is fairly modest with 63 small business lenders. The top two small business lenders in the Southside AA were American Express with 16.8 percent, and Truist Financial¹ (formerly Branch Banking and Trust (BB&T)) with 14.5 percent small business market share.

Roanoke AA

According to the June 30, 2019 FDIC Deposit Market Share data, ANB ranked fifth in total deposits within the AA, with 8.1 percent market share. The bank's deposit rank placed them in the top 33 percent of all depository institutions in the AA. The top four institutions and their respective percentage of deposit market share were Wells Fargo with 24.9 percent SunTrust Bank with 18.6 percent, Truist with 11.8 percent, and Pinnacle Bank with 8.2 percent.

Based on the 2019 peer mortgage data, ANB ranked fourteenth, with 2.0 percent market share. The bank's rank placed them in the top five percent of all mortgage lenders in the AA. Competition for mortgage loans in the Roanoke AA is very strong, as there are 314 other mortgage lenders in the AA. The top five mortgage lenders and their market share included Wells Fargo with 8.0 percent, Atlantic Bay Mortgage with 7.9 percent, Member One Federal Credit Union with 5.3 percent, Quicken Loans 5.2 percent, and Movement Mortgage LLC with 4.2 percent.

Based on the 2019 peer small business data, ANB ranked seventh with 6.2 percent market share, which placed the bank in the top nine percent of all small business lenders. Competition for small business loans is fairly modest with 75 small business lenders. The top five small business lenders and their market share are American Express with 16.6 percent, JP Morgan Chase Bank, N.A. (Morgan/Chase) with 9.8 percent, Truist Financial with 9.7 percent, Synchrony Bank with 7.6 percent, and SunTrust with 6.5 percent.

Lynchburg AA

According to the June 30, 2019 FDIC Deposit Market Share data, ANB ranked eleventh in total deposits within the AA, with 1.9 percent market share. The bank's deposit rank placed them in the bottom 33 percent of all depository institutions in the AA. The top five institutions and their respective percentage of deposit market share were Wells Fargo with 22.2 percent, Truist with 13.3 percent, SunTrust Bank with 10.9 percent, Bank of the James with 10.5 percent, and First National Bank (AltaVista) with 9.7 percent.

Based on the 2019 peer mortgage data, ANB ranked twenty-eighth, with 0.9 percent market share. The bank's rank placed them in the top ten percent of all mortgage lenders in the AA. Competition for

¹ Truist Financial Corporation was formed in December 2019 with the consummation of the merger between BB&T and Sun Trust banks. In this PE, the data from each bank was not combined as the banks were independent of each other in 2017, 2018 and most of 2019. BB&T changed its name to Truist before consummating the merger.

mortgage loans in the Lynchburg AA is very strong, as there are 301 other mortgage lenders in the AA. The top five mortgage lenders and their market share included Quicken Loans 6.6 percent, Wells Fargo with 6.2 percent, Movement Mortgage LLC with 5.4 percent, Truist Bank with 4.8 percent, and Atlantic Bay Mortgage with 3.7 percent.

Based on the 2019 peer small business data, ANB ranked ninth with 3.49 percent market share, which placed the bank in the top thirteenth percent of all small business lenders. Competition for small business loans is fairly modest 67 small business lenders. The top five small business lenders and their market share are American Express with 17.8 percent, Truist Financial with 14.0 percent, Morgan/Chase with 10.7 percent, Wells Fargo with 9.3 percent, and Synchrony Bank with 7.5 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AAs.

Home Mortgage Loans

Please refer to Table O in the state of Virginia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Southside AA

The distribution of the bank's home mortgage loans in LMI geographies is generally good. ANB's performance exceeded the aggregate distribution of home mortgage loans and was below the percentage of owner-occupied housing units in low-income geographies. The bank's performance was below both the aggregate distribution and percentage of owner-occupied housing units in moderate-income geographies.

This analysis considered the limited availability of owner-occupied housing units compared to the population in the geography. There is a shortage of owner-occupied housing units in moderate-income geographies with only 13,202 units for 49,875 residents. The low number of owner-occupied units constrains the number of units on the market for sale to prospective buyers and limits opportunities to offer home mortgage loans. Competition of home mortgage loans in the AAs moderate-income tracts is high, with most mortgage originators and purchasers being large regional credit unions, large national banks, and mortgage companies. Within the moderate-income geographies, the bank ranked seventh out of 97 lenders who originated or purchased at least one loan in moderate-income geographies.

Roanoke AA

The distribution of the bank's home mortgage loans in LMI geographies is excellent. The bank's performance was comparable to both the aggregate distribution of home mortgage loans and demographic percentage of owner-occupied housing units in low-income geographies. In moderate-income geographies, the bank's performance significantly exceeded both the aggregate distribution and percentage of owner-occupied housing units.

Lynchburg AA

The distribution of the bank's home mortgage loans in LMI geographies is good. The bank's performance was near to both the aggregate distribution of home mortgage loans and the demographic percentage of owner-occupied housing units in low-income geographies. In moderate-income geographies, the bank's performance exceeded both the aggregate distribution of home mortgage loans and demographic percentage of owner-occupied housing units.

Small Loans to Businesses

Please refer to Table Q in the state of Virginia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Southside AA

The distribution of the bank's small loan to businesses in LMI geographies is generally good. The bank's performance was near to both the aggregate distribution of small business loans and the demographic percent of businesses in low-income geographies and below in moderate-income geographies.

Roanoke AA

The distribution of the bank's small loans to businesses in LMI geographies is generally good. The bank's performance was slightly below both the aggregate distribution of small business loans and demographic percent of businesses in low-income geographies. In moderate-income census geographies, the bank's performance significantly exceeds both the aggregate distribution and demographic percent of businesses.

Lynchburg AA

The distribution of the bank's small loans to businesses in LMI geographies is adequate. The bank's performance was slightly below both the aggregate distribution and demographic percentage of businesses in both low-income geographies and below the aggregate distribution and demographic percentage of businesses in moderate-income geographies. This pattern is consistent given the bank's small business market share in this AA and the modest level of small business loan competition in the one low-income geography and twelve moderate-income geographies.

Lending Gap Analysis

We reviewed summary reports and AA maps detailing the bank's lending activity over the evaluation period for home mortgage loans and small loans to businesses to identify any gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a generally good distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Please refer to Table P in the state of Virginia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Southside AA

The distribution of the bank's home mortgage loans to LMI borrowers is generally good. The bank's performance was slightly below the aggregate distribution of home mortgage loans and significantly below the demographic percentage of families in low-income geographies. However, the bank's performance exceeded both the aggregate distribution and demographic percentage of families in moderate-income geographies.

In evaluating distribution of borrower income, we considered housing affordability. As discussed in the Description of Operations section for the Southside AA, it may be challenging for low-income families to afford a mortgage at the median listing price after factoring in real estate taxes and closing costs. The median listing price is almost four times the earnings of low-income families.

Roanoke AA

The distribution of the bank's home mortgage loans to LMI borrowers is adequate. The bank's performance was below the aggregate distribution of home mortgage loans and significantly below the demographic percentage of families in low-income geographies. Additionally, the bank's performance was below the aggregate distribution and demographic percentage of families in moderate-income geographies.

In evaluating distribution of borrower income, we considered housing affordability. Home affordability would be challenging for low-income borrowers in the Roanoke AA. As discussed in the Description of Operations section for the Roanoke AA, low-income borrowers, as well as moderate-income borrowers depending on where they fall in the income spectrum, would be challenged to afford a mortgage at the median listing price, especially after factoring in real estate taxes and total transaction costs associated with a home purchase. The median listing price in the Roanoke AA is almost six times the earnings of low-income families and four times the earnings of moderate-income families.

Lynchburg AA

The distribution of the bank's home mortgage loans to LMI borrowers is adequate. The bank's performance was below the aggregate distribution of home mortgage loans and significantly below the demographic percentage of families in low-income geographies. Additionally, the bank's performance was below the aggregate distribution and demographic percentage of families in moderate-income geographies.

In evaluating distribution of borrower income, we considered housing affordability. Home affordability would be challenging for low-income borrowers in the Lynchburg AA. As discussed in the Description of Operations section for the Lynchburg AA, low-income borrowers, as well as some moderate-income borrowers, would be challenged to afford a mortgage at the median listing price, especially after factoring in real estate taxes and total transaction costs associated with a home purchase. The median listing price in the Lynchburg AA is slightly over six times the earnings of low-income families and slightly over four times the earnings of moderate-income families.

Small Loans to Businesses

Please refer to Table R in the state of Virginia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Southside AA

The distribution of the bank's small loans to businesses by revenue is generally good. While the bank's performance was below the demographic percentage of businesses with revenues less than \$1 million, the bank's performance significantly exceeded the aggregate distribution of loans to small businesses.

Roanoke AA

The distribution of the bank's small loans to businesses by revenue is generally good. Although the bank's performance was below the demographic percentage of businesses with revenues less than \$1 million, the bank's performance significantly exceeded the aggregate distribution of loans to small businesses.

Lynchburg AA

The distribution of the bank's small loans to businesses by revenue is generally good. While the bank's performance was below the demographic percentage of businesses with revenues less than \$1 million, the bank's performance significantly exceeded the aggregate distribution of loans to small businesses.

Community Development Lending

The institution has made a relatively high level of CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

CD loans offered were adequate in helping the bank address community credit needs.

Southside AA

ANB originated and/or renewed six CD loans during the evaluation period. CD lending equated to 8.6 percent of the bank's tier 1 capital. These loans were responsive to the identified needs in the AA. Those needs included economic revitalization and services targeted to LMI individuals and families. Some examples include:

- A \$10 million line of credit to support liquidity needs for an organization located in an underserved middle-income tract, who's mission and programs support economic revitalization and community services for LMI individuals in the city of Martinsville and Henry County.
- A \$25 thousand line of credit to a non-profit that provides community services including job training to LMI individuals.
- A \$758 thousand loan to a small business incubator that supports economic development and job creation in a low-income census tract.

The bank's CD performance had a positive impact on the bank's lending test performance in the AA.

Roanoke AA

ANB did not originate any CD loans in the Roanoke AA in 2017 or 2019. In 2019, the bank renewed a former HomeTown Bank line of credit totaling \$75 thousand. This CD loan was responsive to identified community development need of providing capital to a business that provides community services to LMI families.

The bank's CD performance had a neutral impact on the bank's lending test performance in the AA, as its geographic and borrower performance indicated the bank's existing products effectively addressed community credit needs.

Lynchburg AA

ANB originated three CD loans in the Lynchburg AA during the evaluation period. CD lending equated to 0.5 percent of the bank's tier 1 capital. These loans were responsive to identified community development needs including community services for LMI individuals. Examples include:

- A \$986 thousand loan to an organization that provides transportation, health, and nutrition services to LMI individuals and individuals that receive Medicaid.

The bank's CD performance had a neutral impact on the bank's lending test performance in the AA as its geographic and borrower performance indicated the bank's existing products effectively addressed community credit needs.

Product Innovation and Flexibility

The institution makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs. ANB uses flexible and innovated lending products to meet the needs of LMI borrowers and small business through mortgages sold on the secondary market and loan guarantee programs. During the evaluation period, ANB originated the following flexible products throughout its AAs in the state of Virginia:

- 101 FHA loans totaling \$16.3 million,
- 59 VA loans totaling \$12.0 million,
- 123 USDA loans total \$15.7 million,
- 23 Virginia Housing Development Authority (VHDA) loans totaling \$1.6 million, and
- 66 agriculture guarantee loans totaling \$535 thousand.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Lovington AA and Christiansburg AA, were consistent with the bank's overall performance under the Lending Test in the full-scope areas.

Please refer to Tables O through R in the state of Virginia section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank’s performance under the Investment Test in Virginia is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Southside AA, Roanoke AA, and Lynchburg AA is adequate.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs.

The institution occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Southside AA	0	0	85	\$53	85	50.6%	\$54	0.6%	0	0
Roanoke AA	0	0	47	\$108	47	27.8%	\$108	1.3%	0	0
Lynchburg AA	0	0	16	\$16	16	9.5%	\$16	0.2%	0	0
Christiansburg AA	0	0	1	\$1	1	0.6%	\$1	0.0%	0	0
Lovington AA	0	0	0	\$0	0	0.0%	\$0	0.0%	0	0
Statewide	10	\$7,257	9	\$5,749	19	11.3%	\$13,185	98.6%	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Virginia Regional/Statewide Area

ANB’s level of community development investments on a regional/statewide level is good. ANB invested in five bonds totaling \$5.6 million that benefited the larger regional or statewide area during the evaluation period. These investments were revenue bonds for affordable housing projects. Additionally, the bank had \$2.5 million in prior period investments, which consisted of \$2.1 million in revenue bonds for affordable housing held by the bank and \$406 thousand in revenue bonds for affordable housing that were acquired through the HomeTown Bank merger in April 2019. The bank also donated \$37.5 thousand to a Virginia based program that provides financial literacy and education to counties throughout Virginia AAs.

Additionally, as of December 31, 2019, ANB committed approximately \$2.3 million in capital as a limited partner in Plexus Capital, and approximately \$3.6 million in capital as a limited partner in Salem Investment Partners. Both of these entities are Small Business Investment Corporations (SBICs). The SBIC program makes commercial loans available to small businesses in the bank’s market area and on a broader statewide basis. This partnership provides the possibility of deposit and other business relationships between the bank and these companies. Ultimately, ANB expects to earn a dividend return from its partnership interest.

Total statewide qualified investments, grants, and donations represented 5.3 percent of the bank's tier 1 capital during the evaluation period.

Southside AA

The bank did not make any qualified investments in the Southside AA during the evaluation period. However, the bank made 85 donations totaling \$54 thousand to 30 different organizations. A substantial majority of the donations were made to organizations that focused on community services for LMI individuals and geographies. Total donations represented less than 1 percent of the bank's tier one capital. The following are notable examples of the bank's qualified donations:

- Five donations totaling \$16 thousand to a non-profit organization that provides services targeted to LMI individuals.
- Four donations totaling \$3 thousand to organizations that support economic development and revitalization of underserved areas.

Roanoke AA

The bank did not make any qualified investments in the Roanoke AA during the evaluation period. However, the bank made 47 donations totaling \$108 thousand to 23 different organization throughout the Roanoke AA. Donations were made to organizations that focused on community services for LMI individuals and geographies and to economic development. Total donations represented less than 1 percent of the bank's tier 1 capital. The following are notable examples of the bank's qualified donations:

- Three donations totaling \$4.5 thousand to an organization that provides and promotes affordable banking products to unbanked and underbanked individuals.
- Four donations totaling \$40 thousand to small business incubator that promotes economic developments for small businesses within the AA.

Lynchburg AA

The bank did not make any qualified investments in the Lynchburg AA during the evaluation period. However, the bank made 16 donations totaling \$16 thousand to six different organizations. A substantial majority of the donations were made to organizations that focused on community services for LMI individuals and geographies. Total donations represented less than 1 percent of the bank's tier 1 capital.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Lovingson AA and Christiansburg MSA is consistent with the bank's overall performance under the Investment Test in the full-scope areas.

SERVICE TEST

The bank’s performance under the Service Test in Virginia is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Southside AA, Roanoke AA, and Lynchburg MSA AA is good.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Southside	49.6	10	45.5	0.0	20.0	70.0	10.0	1.8	24.1	66.8	7.3
Roanoke	38.0	8	36.4	0.0	12.5	62.5	25.0	3.6	23.0	44.4	29.0
Lynchburg	5.4	3	13.6	0.0	0.0	66.7	33.3	2.1	25.0	56.3	16.7
Christiansburg	7.0	1	4.5	0.0	0.0	100.0	0.0	0.0	6.3	50.0	37.5
Lovingston	0.0	1	4.5	0.0	100.0	0.0	0.0	0.0	100.0	0.0	0.0

ANB provides several alternative delivery systems, including instant issue debit cards, online banking, mobile banking, mobile deposit, online account openings, bill payment, and telephone banking. The bank also offers free check cashing services for government issued checks to customers. Furthermore, a majority of the bank’s ATMs offer envelop free deposit taking services for cash and checks.

Southside AA

ANB’s branches and alternate delivery systems are accessible to geographies and individuals of different income levels in the Southside AA. ANB operated ten branches in the Southside AA with no branches in low-income geographies, which is reasonable given only 1.8 percent of the AA’s population is located in low-income geographies. ANB operated two branches in moderate-income geographies, which was near to the percentage of the AA’s population that is located in moderate-income geographies. Additionally, the bank operates two branches in middle-income underserved geographies, which are within sufficient proximity to reasonably serve moderate-income geographies. Two branches in the Southside AA offer drive-thru services and one branch offers extended and weekend hours. The bank operated 19 ATMs in the Southside AA. This contributes positively to conclusions.

Roanoke AA

ANB’s branches and alternate delivery systems are reasonably accessible to geographies and individuals of different income levels in the Roanoke AA. ANB operates six branches in the Roanoke AA with no

branches in low-income geographies, which is reasonable given only 3.6 percent of the AA’s population is located in low-income geographies. ANB operated one branch in a moderate-income geography, which was below the percentage of the AA’s population that is located in moderate-income geographies. However, the four branches located in middle-income geographies were sufficient proximity to reasonably server LMI geographies. The bank operates 9 ATMs in the Roanoke AA. This contributes positively to conclusions.

Lynchburg AA

ANB’s branches and alternate delivery systems are reasonably accessible to geographies and individuals of different income levels in the Southside AA. ANB operates two branches in the Lynchburg AA with no branches in LMI geographies. This was below the percentage of the population in the AA. However, the bank’s branch located in a middle-income geography was in sufficient proximity to serve LMI geographies. Branches in the Lynchburg AA offer extended hours at least one day per week. ANB operated 4 ATMs in the Lynchburg AA with 24-hour access. This contributes positively to conclusions.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upper
Southside AA	0	1	0	0	-1	0
Roanoke AA	0	2	0	0	-1	-1
Lynchburg AA	0	1	0	0	-1	0
Christiansburg AA	0	0	0	0	0	0
Lovingston AA	0	1	0	-1	0	0

The institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

Southside AA

During the evaluation period, the bank did not open any branches in the Southside AA. One branch in a middle-income geography was closed. This branch closed due to the low volume of transactions.

Roanoke AA

During the evaluation period, the bank did not open any branches in the Roanoke AA. One branch in a middle-income geography was closed and consolidated with another bank branch location. One branch in an upper-income geography closed due to low volume of transactions.

Lynchburg AA

During the evaluation period, the bank did not open any branches in the Lynchburg AA. One branch in a middle-income geography was closed. This branch closed when the bank determined not to renew the lease and due to low volume of transactions.

Services and business hours do not vary in a way that inconveniences its AAs, particularly in LMI geographies and/or individuals. ANB maintains standard business hours and offers traditional banking products, mortgages, consumer and small business lending and services at all branch locations in within the Virginia.

Community Development Services

The institution provides a relatively high level of CD services.

Southside AA

ANB provided a relative high level of CD services in the Southside AA during the evaluation period. There were 20 employees actively involved in qualifying CD services during the evaluation period providing approximately 1,200 hours of financial education, technical assistance, or served on board of directors and committees for 32 different qualified community organizations. Examples of qualifying activities include the following:

- An Executive Officer served on the Board and was treasure for organizations that promote small business and economic development in the Danville, Virginia.
- A Senior Vice President served on the Board and was treasurer for a non-profit that revitalizes and repairs homes in low-income geographies.
- A Senior Vice President served on the Board and finance committee of a non-profit organization focused on community and services for LMI families.

Roanoke AA

ANB provided adequate level of CD services in the Roanoke AA. Seven employees were actively involved in qualifying CD services during the evaluation period providing nearly 200 hours financial education, technical assistance, or served on board of directors and committees of twelve different qualified organizations. Examples of qualifying activities include the following:

- One employee served on the Board and steering committee of an organization that provides financial literacy and promotes affordable banking products to LMI individuals.
- Two Executive Vice Presidents served on the Board of an organization that promotes economic development in Roanoke City.

Lynchburg AA

ANB provided a low level of CD services in the Lynchburg AA. Six employees were involved in qualifying CD services during the evaluation period providing 80 hours technical assistance or served on board of directors and committees of five different qualified organizations. Examples of qualifying activities include the following:

- One Vice President served on the Board and microloan committee of a business development organization that fosters growth and development of small businesses in Lynchburg City.
- Two employees severed on the Board and finance committee for a non-profit that provides affordable housing.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Lovingson AA and Christiansburg AA is consistent with the bank's overall performance under the Service Test in the full-scope areas.

State Rating

State of North Carolina

CRA rating for the State of North Carolina: Needs to Improve

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect adequate responsiveness to credit needs, considering the number and amount of home mortgage and small business loans in the AA.
- The bank exhibits an adequate geographic distribution of home mortgage loans and small business loans in the AAs.
- The bank exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.
- The bank made an adequate level CD loans.
- The bank has a low level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The Bank's branches and alternative delivery systems are reasonably accessible to geographies and individuals of different income levels in its AAs.
- The bank provided an adequate level of CD services.

Description of Institution's Operations in North Carolina

ANB operated in four AAs within the state of North Carolina. The bank's Burlington AA is comprised of the entire Burlington MSA, which consists of Alamance County. The Greensboro AA bank included one county from the Greensboro-High Point MSA, Guilford County. The Yanceyville AA included the full non-MSA county of Caswell. In May 2017, the bank expanded its operations in North Carolina and entered the Winston-Salem MSA. The bank's Winston Salem AA is comprised of all CTs in Forsyth County, 26 contiguous CTs in Davidson, and six contiguous CTs in Davie County, which border Forsyth County and the I-40 and I-85 highway corridors.

ANB operated ten branches and nine ATMs in the state of North Carolina during the evaluation period. Based on the FDIC Deposit Market Share data as of June 30, 2019, the bank had \$487.4 million in deposits in the state of North Carolina. Lending in North Carolina accounted for 33 percent of the bank's total HMDA and CRA lending during the evaluation period. Competition in the bank's North Carolina AAs is high and comprised primarily of banks with large national footprints, large regional banks, as well as nonbank financial institutions that compete for business and residential loans. The bank offers the same products and services throughout all AAs in the state of North Carolina.

Community credit needs in the full-scope AAs in the state of North Carolina were determined by reviewing recent housing and demographic information and conducting community contacts. The most critical needs identified from the community contacts were affordable housing, economic development in LMI communities, and financial literacy.

Burlington AA

The bank's delineated Burlington AA is comprised of the entire MSA, which consists of Alamance County. There are 36 CTs in this AA: 9 moderate-income CTs; 17 middle-income CTs; and 10 upper-income CTs. There are no low-income CTs located in the Burlington AA. The bank operated five branches in the Burlington AA. One branch is in a moderate-income CT. ANB operated 4 ATMs in this AA. The AA complies with the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

The June 30, 2019 FDIC Deposit Market Share data reported the bank held 12.9 percent of deposits in the AA, ranking the bank third in the Burlington AA. The top two financial institutions in market held over 37 percent of the AAs deposits and were held in banks with large national footprints. Deposits in the Burlington AA account for 58 percent of ANB's total deposits in the state of North Carolina.

Lending activities in the Burlington AA account for 43 percent of the bank's total volume of HMDA and CRA purchases and originations. Based on 2019 peer mortgage data, ANB ranked thirteenth with 1.4 percent market share. There is a high level of competition for mortgage loans in the Burlington AA, with the bank competing with over 270 mortgage lenders in this AA. Top mortgage lenders in the AA are comprised of banks with large national footprints and mortgage companies. Competition for small business loans is also high. Based on 2019 peer small business data, ANB ranked seventh with 5.6 percent market share in the Burlington AA. The top small business lenders are banks with large national footprints.

Demographic information for the Burlington AA is included in the table below.

Demographic Information of the Assessment Area						
Assessment Area: Burlington AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	0.0	25.0	47.2	27.8	0.0
Population by Geography	155,258	0.0	28.9	46.0	25.0	0.0
Housing Units by Geography	67,804	0.0	28.9	45.7	25.3	0.0
Owner-Occupied Units by Geography	40,273	0.0	22.9	47.8	29.3	0.0
Occupied Rental Units by Geography	21,272	0.0	39.2	41.8	19.0	0.0
Vacant Units by Geography	6,259	0.0	33.1	45.5	21.3	0.0
Businesses by Geography	9,302	0.0	24.7	48.6	26.7	0.0
Farms by Geography	339	0.0	15.3	49.9	34.8	0.0
Family Distribution by Income Level	40,938	21.8	17.8	18.3	42.1	0.0
Household Distribution by Income Level	61,545	23.8	17.2	17.3	41.8	0.0
Median Family Income MSA - 15500 Burlington, NC MSA		\$61,600	Median Housing Value			\$139,707
			Median Gross Rent			\$764
			Families Below Poverty Level			14.4%

Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

Housing Affordability

When looking at housing affordability, the Burlington AA has a relatively low cost of living that makes homeownership affordable for most LMI families. The table below illustrates housing affordability calculations for the Burlington AA. The monthly mortgage payment calculations assume a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner’s insurance, real estate taxes, or any additional monthly expenses. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the 2019 FFIEC adjusted median family income for the MSA, respectively. As the table illustrates, only low-income borrowers in the Burlington AA would be challenged to afford a mortgage at the median home listing price. However, after factoring in other costs associated with a mortgage transaction, LMI families may find it difficult to afford a mortgage.

MSA Name	2019 Updated FFIEC MFI	Maximum Low-Income Annual	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Maximum Moderate-Income Annual Income	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Mortgage Payment Based on List Price	2019 Median Home List Price*
Burlington AA	\$61,600	\$30,800	\$143,437	\$770	\$49,280	\$229,499	\$1,232	\$1,019	\$189,900

*Source - Relator.com 2019 county median housing list price

Economic Data

Economic conditions in the Burlington AA have lagged behind other metropolitan areas in North Carolina but slowly improving. According to the December 2019 Moody’s Analytic report, Burlington is struggling to create jobs and attract higher wage jobs to the area. Burlington is a commuter hub for the surrounding Greensboro-High Point MSA and Durham-Chapel-Hill MSA. Moody’s noted that approximately 15 percent of Burlington’s residence commute outside the MSA for work. Many high-wage earners live in the Burlington MSA, due to its relative low cost of living but commute to these other MSAs, where there are more opportunities for higher paying jobs. The largest employers in the AA include Laboratory Corp. of America (LabCorp), Cone Heath Alamance Regional Medical Center, Elon University, GKN Driveline North America, Alamance Community College, and Honda Power Equipment Manufacturing.

The population in the Burlington AA is growing and its proximity to other large metro areas, will help create more local jobs. The largest employer in Burlington, LabCorp, continues to invest in the area creating temporary jobs and some mid-wage jobs in the medical and diagnostic laboratory fields. Additionally, the Burlington MSA offers stable retail, service, and restaurant industries, with large regional outlet shopping centers and spending by students attending Elon University. However, Moody’s indicated the Burlington MSA has a low purchasing power, given over 60 percent of households earn less than \$60,000 per year

According to the U.S. Bureau of Labor Statistics, the unemployment rate in the Burlington AA fluctuated throughout the evaluation period. The unemployment in Alamance County was at a high of 4.8 percent in January 2017, declined to 3.3 percent in September 2018, increased back up to 4.4 percent in July 2019, and declined back to 3.2 percent by December 2019. The unemployment rate in the Burlington AA was comparable to the overall unemployment rate for the state of North Carolina, which ranged from a high of 4.9 percent and a low 3.5 percent during the same time periods.

Community Contact

As part of the CRA evaluation, the OCC completed two community contacts within the Burlington AA to determine local economic conditions and community needs. Both community contacts indicated the greatest needs in the Burlington AA were affordable and safe housing and financial literacy.

Greensboro AA

The bank's delineated Greensboro AA is comprised of a portion of the Greensboro-High Point MSA, consisting of the entire county of Guilford. There are 119 CTs in the Greensboro AA: ten low-income CTs; 30 moderate-income CTs; 35 middle-income CTs; 43 upper-income CTs, and 1 CT not assigned income designation. The bank operated two branches in the Greensboro AA. No branches are in LMI CTs, but ANB operated two ATMs in this AA. The AA complies with the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

The FDIC Deposit Market Share data as of June 30, 2019, reported the bank held 1.67 percent of deposits in the AA, ranking the bank tenth in the Greensboro AA. The top five financial institutions in market held over 76 percent of the AAs deposits and in banks with large national footprints. Deposits in the Greensboro AA account for 34 percent of ANB's total deposits in the state of North Carolina.

Lending activities in the Greensboro AA account for 40 percent of the bank's total volume of HMDA and CRA purchases and originations in North Carolina. Based on 2019 peer mortgage data, ANB ranked forty-fourth with 0.49 percent market share. There is a very high level of competition for mortgage loans in the Greensboro AA, with the bank competing with over 320 mortgage lenders in this AA. Top mortgage lenders in the AA are banks with large national footprints and mortgage companies. Competition for small business loans is also high. Based on 2019 peer small business data, ANB ranked fifteenth with 1.19 percent market share in the Greensboro AA. The top small business lenders are banks with large national footprints.

Demographic information for the Greensboro AA is included in the table below.

Demographic Information of the Assessment Area						
Assessment Area: Greensboro AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	119	8.4	25.2	29.4	36.1	0.8
Population by Geography	506,763	7.2	23.2	32.9	36.8	0.0
Housing Units by Geography	222,057	7.1	23.5	33.4	36.0	0.0
Owner-Occupied Units by Geography	118,976	3.1	15.8	33.7	47.4	0.0
Occupied Rental Units by Geography	80,564	12.1	32.3	33.3	22.2	0.0
Vacant Units by Geography	22,517	10.1	32.7	32.1	25.1	0.0
Businesses by Geography	47,484	4.9	20.5	29.2	45.2	0.2
Farms by Geography	1,171	2.2	13.3	37.7	46.7	0.0
Family Distribution by Income Level	126,562	20.5	17.3	17.7	44.5	0.0
Household Distribution by Income Level	199,540	22.4	16.1	17.1	44.5	0.0
Median Family Income MSA - 24660 Greensboro-High Point, NC MSA		\$59,900	Median Housing Value			\$159,338
			Median Gross Rent			\$786
			Families Below Poverty Level			13.0%

Source: 2015 ACS and 2019 D&B Data. Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

Housing Affordability

When looking at housing affordability, the Greensboro AA has a relatively modest cost of living that could makes homeownership difficult for some LMI families. The table below illustrates housing affordability calculations for the Greensboro AA. The monthly mortgage payment calculations assume a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner’s insurance, real estate taxes, or any additional monthly expenses. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the 2019 FFIEC adjusted median family income for the MSA, respectively. As the table illustrates, only low-income borrowers in the Greensboro AA would be challenged to afford a mortgage at the median home listing price.

MSA Name	2019 Updated FFIEC MFI	Maximum Low-Income Annual	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Maximum Moderate-Income Annual Income	Maximum Affordable Mortgage Amount	Maximum Monthly Mortgage Payment	Mortgage Payment Based on List Price	2019 Median Home List Price*
Greensboro AA	\$59,900	\$29,950	\$139,478	\$749	\$47,920	\$223,165	\$1,198	\$1,111	\$206,950

*Source - Relator.com 2019 county median housing list price

Economic Data

Economic conditions in the Greensboro AA are have consistently underperformed compared to other areas in North Carolina and are beginning to improve. According to the December 2019 Moody’s Analytic report, the Greensboro-High Point MSA lacks jobs in high tech and knowledge-based industries, has a below average workforce skill level, and below average per capita income. However, Greensboro-High Point MSA has seen some growth with mid- and high-wage jobs, centered in manufacturing, retail, and healthcare. The largest employers in Guilford County include Cone Heath, High Point Regional UNC Health Care, Ralph Lauren Corp, Volvo Corp, Unifi Inc., University of North Carolina Greensboro, Guildford County Schools, and United Health Care.

Prominent sectors in the Greensboro AA include logistics, manufacturing, and healthcare. Moody’s indicated that Greensboro provides a relative low cost of doing business, which has helped to attract major expansion projects and distribution centers to the area. Factory and textile production account for nearly a quarter of factory jobs in the AA, which is higher than most cities. Other manufacturing industries such as transportation equipment, plastics, and areo-space related are also starting to gain jobs. However, these gains may be short lived with technological advancements and more automation in these industries.

According to the U.S. Bureau of Labor Statistics, the unemployment rate in the Greensboro AA declined during the evaluation period. The unemployment rate in Guilford County ranged from a high of 5.3 percent in January 2017, to a low of 3.4 percent in December 2019. The unemployment rate in the Greensboro AA was comparable to the overall unemployment rate for the state of North Carolina, which ranged from a high of 4.9 percent, and a low 3.5 percent during the same time periods.

Community Contact

As part of the CRA evaluation, the OCC completed two community contacts within the Greensboro AA to determine local economic conditions and community needs. One community contact identified affordable housing as the greatest need in the Greensboro AA. The second community contact identified affordable housing along with more economic development and investment in LMI communities, and financial literacy as the greatest needs.

Scope of Evaluation in North Carolina

The OCC conducted full-scope review of Burlington AA and Greensboro AA. The Burlington AA represents 12 percent of the bank’s total home mortgage lending, 14 percent of total deposits, and 16 percent of total branches. The Greensboro MSA represents 13 percent of the bank’s total home mortgage lending, 8 percent of total deposits, and 6 percent of total branches. Equal weight was given to both AAs. Small business loans were given more consideration than home mortgage loans when arriving at the bank’s overall lending performance. All other AAs with the state of North Carolina received limited-scope review. Refer to the table in appendix A for a list of AAs under review.

Conclusions with Respect to Performance Tests in North Carolina

LENDING TEST

The bank’s performance under the Lending Test in North Carolina is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Burlington AA and Greensboro AA is adequate.

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs.

Number of Loans*						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State Loans	%State Deposits
Burlington AA	214	489	12	715	43.0%	57.6%
Greensboro AA	238	422	5	665	40.0%	34.4%
Winston-Salem AA	86	157	0	243	14.6%	3.2%
Yanceyville AA	26	15	0	41	2.5%	4.8%

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loan (\$000)						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State* Loans	%State Deposits
Burlington AA	\$65,557	\$102,604	\$571	\$168,732	41.7%	57.6%
Greensboro AA	\$64,461	\$104,548	\$261	\$169,270	41.9%	34.4%
Winston-Salem AA	\$19,961	\$43,133	\$0	\$63,094	15.6%	3.2%
Yanceyville AA	\$1,697	\$1,478	\$0	\$3,175	0.8%	4.8%

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Burlington AA

According to the June 30, 2019 FDIC Deposit Market Share data, the ANB ranked third in total deposits within the AA, with 12.9 percent market share. The bank’s deposit rank placed them in the top 19 percent of all depository institutions in the AA. The top two institutions, Wells Fargo, and First Tennessee Bank, held 23.7, percent and 13.7 percent of deposits, respectively.

Based on the 2019 peer mortgage data, ANB ranked thirteenth, with 1.4 percent market share. The bank's rank placed them in the top five percent of all mortgage lenders in the AA. Competition for mortgage loans in the Burlington AA is very strong, as there are 270 other mortgage lenders in the AA. The top five mortgage lenders and their market share included State Employees Credit Union with 15.1 percent, Wells Fargo with 6.7 percent, Truist Federal Credit Union with 6.4 percent, Quicken Loans 4.7 percent, and Union Home Mortgage Company with 4.2 percent.

Based on the 2019 peer small business data, ANB ranked seventh with 5.6 percent market share, which placed the bank in the top nine percent of all small business lenders. Competition for small business loans is modest, as there are 74 small business lenders in the AA. The top five small business lenders and their market share included American Express with 14.3 percent, Morgan/Chase with 11.2 percent, Truist Financial with 9.9 percent, Wells Fargo with 8.4 percent, and Synchrony Bank with 7.6 percent.

Greensboro AA

According to the June 30, 2019 FDIC Deposit Market Share data, the ANB ranked tenth in total deposits within the AA, with 1.7 percent market share. The bank's deposit rank placed them in the top 50 percent of all depository institutions in the AA. The top five institutions in the AA by deposit market share included Wells Fargo with 22.5 percent, BB&T with 20.8 percent, Bank of America with 14.5 percent, Pinnacle Bank with 11.4 percent, and SunTrust with 7.1 percent.

Based on the 2019 peer mortgage data, ANB ranked forty-fourth, with 0.5 percent market share. The bank's rank placed them in the top ten percent of all mortgage lenders in the AA. Competition for mortgage loans in the Greensboro AA is very strong, as there are 425 other mortgage lenders in the AA. The top five mortgage lenders and their market share included the State Employees Credit Union with 8.9 percent, Wells Fargo with 8.1 percent, Quicken Loans 5.9 percent, Truist Bank with 5.2 percent, and Truist Federal Credit Union with 3.8 percent.

Based on the 2019 peer small business data, ANB ranked fifteenth with 1.2 percent market share, which placed the bank in the top 15 percent of all small business lenders. Competition for small business loans is strong, as there are 97 small business lenders in the AA. The top five small business lenders and their market share included American Express with 19.8 percent, Truist Financial with 12.8 percent, Citibank N.A. with 9.4 percent, Bank of America, N.A. with 8.3, and Wells Fargo with 7.3 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in its AAs.

Home Mortgage Loans

Please refer to Table O in the state of North Carolina section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Burlington AA

The distribution of the bank's home mortgage loans in LMI geographies is generally good. The bank's performance was below both the aggregate distribution of home mortgage loans and the percentage of owner-occupied housing units in moderate-income geographies. There are no low-income geographies in the Burlington AA.

This analysis considered the limited availability of owner-occupied housing units compared to the population in the geography. There is a shortage of owner-occupied housing units in moderate-income geographies with only 9,222 units for 44,870 residents. The low number of owner-occupied units constrains the number of units on the market for sale to prospective buyers and limits opportunities to offer home mortgage loans. Competition of home mortgage loans in the AAs moderate-income tracts is high, with most mortgage originators and purchasers being large regional credit unions, banks with large national footprints, and mortgage companies. Within the moderate-income geographies, the bank ranked nineteenth out of 149 lenders who originated or purchased at least one loan in this geography.

Greensboro AA

The distribution of the bank's home mortgage loans in LMI geographies is excellent. The bank's performance exceeded both the aggregate distribution of home mortgage loans and the percentage of owner-occupied housing units in LMI geographies

Small Loans to Businesses

Please refer to Table Q in the state of North Carolina section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Burlington AA

The distribution of the bank's small loan to businesses in LMI geographies is adequate. The bank's performance was slightly below both the aggregate distribution of small business loans and the demographic percent of businesses in moderate-income geographies. There are no low-income geographies in the Burlington AA.

Greensboro AA

The distribution of the bank's small loans to businesses in LMI geographies is adequate. The bank's performance was below both the aggregate distribution of small business loans and demographic percent of businesses in LMI geographies.

Lending Gap Analysis

We reviewed summary reports and AA maps detailing the bank's lending activity over the evaluation period for home mortgage loans and small loans to businesses to identify any gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Please refer to Table P in the state of North Carolina section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Burlington AA

The distribution of the bank's home mortgage loans to LMI borrowers is adequate. The bank's performance was near to the aggregate distribution of home mortgage loans and well below the demographic percentage of families in low-income geographies. The bank's performance was well below the aggregate distribution and demographic percentage of families in moderate-income geographies.

In evaluating borrower income distribution, this analysis considered housing affordability in the AA. As discussed in the Description of Operations section for the Burlington AA, low-income families would have difficulty affording a mortgage at the median listing price of \$189,900, despite the relative low cost of living in the AA. Moderate-income families would also find it difficult to afford a mortgage after factoring in the high transaction costs associated with a home purchase, including down payments, closing costs, and real estate taxes. The median listing price in the Burlington AA is almost six times the earnings of low-income families and four times the earnings of moderate-income families.

Greensboro AA

The distribution of the bank's home mortgage loans to LMI borrowers is adequate. ANB's performance was slightly below to the aggregate distribution of home mortgage loans and well below the demographic percentage of families in low-income geographies. The bank's performance was well below the aggregate distribution and demographic percentage of families in moderate-income geographies.

In evaluating borrower income distribution, this analysis considered housing affordability in the AA. As discussed in the Description of Operations section for the Greensboro AA, low-income families would have difficulty affording a mortgage at the median listing price of \$206,950. Moderate-income families would also find it difficult to afford a mortgage after factoring in the high transaction costs associated with a home purchase, including down payments, closing costs, and real estate taxes. The median listing price in the Greensboro AA is almost seven times the earnings of low-income families and four times the earnings of moderate-income families.

Furthermore, competition to originate and/or purchase loans from LMI borrowers is high. Specifically, for low-income borrowers, there are 105 lenders competing with ANB to originate and/or purchase a home mortgage loans and the top ten lenders had 51 percent of the market share. For moderate-income borrowers, there are 164 lenders competing with ANB to originate and/or purchase a home mortgage loans and the top ten lenders had 52 percent of the market share.

Small Loans to Businesses

Please refer to Table R in the state of North Carolina section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Burlington AA

The distribution of the bank's small loans to businesses by revenue is generally good. While the bank's performance was below the demographic percentage of businesses with revenues less than \$1 million, the bank's performance significantly exceeded the aggregate distribution of loans to small businesses.

Greensboro AA

The distribution of the bank's small loans to businesses by revenue is generally good. While the bank's performance was below the demographic percentage of businesses with revenues less than \$1 million, the bank's performance significantly exceeded the aggregate distribution of loans to small businesses.

Community Development Lending

The institution has made an adequate level of CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Burlington AA

ANB originated and/or renewed 12 CD loans during the evaluation period. These loans were responsive to the identified needs in the AA, including affordable housing and services targeted to LMI individuals and families. CD lending in the Burlington AA represented less than one percent of the bank's tier 1 capital. Some notable examples of CD loan in the Burlington AA include:

- A \$20 thousand line of credit to a church located and serving a moderate-income geography. Funds from this line of credit were used to fund operating costs for a daycare and apartment complex that serves LMI families.
- Four loans totaling \$333 thousand to acquire and construct six rental houses within a moderate-income geography that will be utilized as affordable housing for LMI families.
- A \$50 thousand line of credit to a non-profit located and serving in a moderate-income geography that provides various community services including health and educational services and transition housing for LMI families.

Greensboro AA

ANB originated and/or renewed 5 CD loans during the evaluation period. These loans were responsive to the identified needs in the AA, including services targeted to LMI individuals and families. CD lending in the Greensboro AA represented less than one percent of the bank's tier 1 capital. One notable CD loan originated in the Greensboro AA was a \$26.4 thousand loan to acquire a refrigeration truck that provides food to LMI children and families on a weekly basis.

Product Innovation and Flexibility

The institution makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs. ANB uses flexible and innovated lending products to meet the needs of LMI borrowers and small business through mortgages sold on the secondary market and loan guarantee programs. During the evaluation period, ANB originated the following flexible products throughout its AAs in the state of North Carolina:

- 26 FHA loans totaling \$10.45 million,
- 20 VA loans totaling \$10.71 million,
- 13 USDA loans total \$7.99 million,
- 8 NC Housing Finance Agency loans totaling \$1.35 million, and
- 14 agriculture guarantee loans totaling \$122 thousand.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Winston-Salem AA and Yanceyville AA is consistent with the bank's overall performance under the Lending Test in the full-scope areas.

Please refer to Tables O through R in the state of North Carolina section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank’s performance under the Investment Test in North Carolina is rated Needs to Improve.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Burlington AA and Greensboro AA is poor.

- The institution has a poor level of qualified CD investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits poor responsiveness to credit and community economic development needs.
- The institution rarely uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Burlington AA	0	0	22	\$49.5	22	39.3%	\$49.5	43.8%	0	0
Greensboro AA	0	0	24	\$54.5	24	42.9%	\$54.5	48.2%	0	0
Winston-Salem AA	0	0	6	\$6.3	6	10.7%	\$6.3	5.6%	0	0
Yanceyville AA	0	0	3	\$2.2	3	5.3%	\$2.2	2.0%	0	0
Statewide	1	\$470	0	0	1	1.8%	\$470	0.4%	0	0

* *Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.*

** *Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.*

ANB held one prior investment totaling \$470 thousand. This investment was a North Carolina housing bond for affordable housing that benefited the broader state-wide area. The bank did not purchase any additional CD investments in North Carolina during the evaluation period. This state-wide prior investment represented less than one percent of the bank’s tier 1 capital.

Burlington AA

The bank did not make any qualified investments in the Burlington AA during the evaluation period. However, the bank made 22 donations totaling \$49.5 thousand to nine different organizations. A majority of these donations were to organizations that promote economic development and support community service needs of LMI families in the Burlington AA. Total donations represented less than one percent of the bank’s tier one capital. The following are notable examples of the bank’s qualified donations:

- Six donations totaling \$24 thousand to local non-profit that promotes economic development in Alamance County in order to create new jobs.
- Five donations totaling \$4,000 to an organization that provides youth programs to LMI families and children.
- Three donations totaling \$11 thousand to a non-profit that provides financial stability, health, and education services to LMI families.

Greensboro AA

The bank did not make any qualified investments in the Greensboro AA during the evaluation period. However, the bank made 24 donations totaling \$54.5 thousand to ten different organizations. A majority of these donations were to organizations that provide community service needs to LMI families in the Greensboro AA. Total donations represented less than one percent of the bank's tier one capital. The following are notable examples of the bank's qualified donations:

- Six donations totaling \$40 thousand to a non-profit that provides financial stability, health, and education services to LMI families.
- One donation totaling \$2,500 that was provided to a non-profit organization that provides affordable housing to LMI families.
- A \$600 donation that provided financial literacy to disadvantaged children.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Winston-Salem AA, and Yanceyville AA, is consistent with the bank's overall performance under the Investment Test in the full-scope areas.

SERVICE TEST

The bank’s performance under the Service Test in North Carolina is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Burlington AA and Greensboro AA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Burlington	57.6%	5	62.5	0	20.0	40.0	40.0	0.0	28.9	46.0	25.0
Greensboro	34.4%	2	25.0	0	0	100.0	0	7.2	23.2	32.9	36.8
Winston-Salem	3.2%	2	25.0	0	0	0	100.0	9.7	20.2	31.6	37.7
Yanceyville	4.8%	1	12.5	0	0	100.0	0	0.0	0.0	79.2	20.8

ANB provides several alternative delivery systems, including instant issue debit cards, online banking, mobile banking, mobile deposit, online account openings, bill payment, and telephone banking. The bank also offers free check cashing services for government issued checks to customers. Furthermore, a majority of the bank’s ATMs offer envelop free deposit taking services for cash and checks. All ATMs in the state of North Carolina can be accessed 24 hours a day.

Burlington AA

ANB’s branches and alternate delivery systems are reasonably accessible to geographies and individuals of different income levels in the Burlington AA. ANB operated 5 branches in the Burlington AA, with 1 branch located in a moderate-income geography. This was below the percentage of the AA’s population that is located in moderate-income geographies. The bank’s branches located in middle- and upper-income geographies were within sufficient proximity to reasonably serve LMI geographies. Three branches in the Burlington AA offered extended drive-thru hours at least one day a week. The bank operated 5 ATMs in the Burlington AA. This contributes positively to conclusions.

Greensboro AA

ANB’s branches and alternate delivery systems are reasonably accessible to geographies and individuals of different income levels in the Greensboro AA. ANB operated 2 branches in the Greensboro AA, with no branches in LMI geographies. The bank’s branches in located in middle-income geographies were within sufficient proximity to reasonably serve LMI geographies. No branches in the Greensboro AA offered drive-thru or extended hours. The bank operated 2 ATMs in the Greensboro AA.

Distribution of Branch Openings/Closings						
	# of Branch Openings	# of Branch Closings	Change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upper
Burlington AA	0	1	0	0	0	-1
Greensboro AA	0	0	0	0	0	0
Winston-Salem AA	1	1	0	0	0	+1, -1
Yanceyville AA	0	0	0	0	0	0

The institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

Burlington AA

During the evaluation period, the bank did not open any branches in the Burlington AA. One branch in an upper-income geography was closed. This branch closed due to the low volume of transactions.

Greensboro AA

During the evaluation period, the bank did not open or close any branches in the Greensboro AA.

Services and business hours do not vary in a way that inconveniences its AAs, particularly in LMI geographies and/or individuals. ANB maintains standard business hours and offers traditional banking products, mortgages, consumer and small business lending and services at all branch locations in within North Carolina.

Community Development Services

The institution provides an adequate level of CD services.

Burlington AA

ANB provided an adequate level of CD services in the Burlington AA during the evaluation period. Four employees were involved in qualifying CD services during the evaluation period providing approximately 100 hours of technical assistance or served on board of directors and committees for five different qualified community organizations. Examples of qualifying activities include the following:

- One employee served on the Board of a non-profit that works to move LMI individuals from out of poverty to economic self-sustainability in Alamance County.
- One employee provided financial literacy to students at a school located in moderate-income geographies.
- One employee served on the Board of an organization that provides youth programs to LMI children.

Greensboro AA

ANB provided an adequate level of CD services in the Greensboro AA during the evaluation period. Five employees were involved in qualifying CD services during the evaluation period providing approximately 100 hours of technical assistance or served on board of directors and committees for four different qualified community organizations. One notable example includes two employees who served on the Board of a non-profit organization that works to break the poverty cycle in Greensboro, NC.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Winston-Salem AA and Yanceyville AA is consistent with the bank's overall performance under the Service Test in the full-scope areas.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	1/1/2017 – 12/31/2019	
Bank Products Reviewed:	Home mortgage, small business, community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Virginia		
Southside MSA	Full-scope	Counties of Pittsylvania, Henry, and Halifax and cities of Danville and Martinsville
Roanoke MSA	Full-scope	Counties of Franklin and Roanoke, four CTs in Botetourt County
Lynchburg MSA	Full-scope	Counties of Bedford and Campbell and City of Lynchburg
Christiansburg MSA	Limited-scope	Montgomery County
Lovingston MSA	Limited-scope	Nelson County, and only for the year 2017 as the bank exited this AA in August 2017
North Carolina		
Burlington MSA	Full-scope	Alamance County
Greensboro MSA	Full-scope	Guilford County
Winston-Salem MSA	Limited-scope	Forsyth County, 26 CTs in Davidson County, and six CTs in Davie County
Yanceyville Non-MSA AA	Limited-scope	Caswell County

Appendix B: Summary of MMSA and State Ratings

American National Bank and Trust				
	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Overall Bank:	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State:				
Virginia	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
North Carolina	Low Satisfactory	Needs to Improve	Low Satisfactory	Needs to Improve

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

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

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

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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.

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.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography (Virginia)

2017-2019

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggt.
Lovingston AA	3	155	0.3	202	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Christiansburg AA	45	10,107	3.7	2,537	0.0	0.0	0.0	2.2	0.0	3.9	55.5	55.6	48.2	42.3	44.4	47.9	0.0	0.0	0.0
Lynchburg AA	191	37,752	15.5	6,756	1.9	0.5	1.2	14.2	19.4	15.8	59.7	54.5	53.8	24.3	25.7	29.3	0.0	0.0	0.0
Roanoke AA	408	74,776	33.1	10,152	1.5	1.0	0.9	19.7	30.4	15.2	44.9	40.0	45.7	33.9	28.7	38.2	0.0	0.0	0.0
Southside AA	585	72,884	47.5	3,391	0.9	0.5	0.3	21.9	12.8	16.8	69.4	71.6	71.3	7.8	15.0	11.6	0.0	0.0	0.0
Total	1,232	195,674	100.0	23,038	1.3	0.6	0.8	18.4	19.4	15.1	55.6	57.7	51.7	24.6	22.2	32.4	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower (Virginia)

2017-2019

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Lovingston AA	3	125	0.7	202	33.1	33.3	18.3	23.2	33.3	18.3	24.6	33.3	24.3	19.1	0.0	23.8	0.0	0.0	15.3
Christiansburg AA	45	10,107	8.8	2,537	17.3	2.2	3.7	15.5	11.1	12.9	19.6	15.6	18.4	47.7	42.2	51.2	0.0	28.9	13.9
Lynchburg AA	191	37,752	15.5	6,756	20.8	3.7	9.5	17.4	11.0	19.8	21.5	17.3	20.2	40.3	41.4	33.9	0.0	26.7	16.5
Roanoke AA	408	74,776	33.1	10,152	20.1	4.9	9.5	17.5	13.7	19.3	22.4	10.5	20.7	40.1	33.8	32.5	0.0	37.0	18.0
Southside AA	585	72,884	47.5	3,391	24.2	6.5	8.7	18.4	21.0	18.0	21.9	21.5	21.5	35.5	40.5	31.5	0.0	10.4	20.3
Total	1,232	195,674	100.0	23,038	21.2	5.4	8.8	17.6	16.7	18.5	21.8	17.0	20.5	39.3	38.4	34.8	0.0	22.4	17.4

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography (Virginia) 2017-2019

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Lovington AA	3	170	0.1	181	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Christiansburg AA	30	6,506	1.5	1,146	0.0	0.0	0.0	2.6	0.0	2.0	56.3	60.0	57.1	40.4	40.0	40.9	0.7	0.0	0.0	0.0
Lynchburg AA	365	62,418	17.7	3,392	1.3	0.3	1.5	21.4	17.3	23.0	51.9	42.5	48.6	25.3	40.0	26.9	0.0	0.0	0.0	0.0
Roanoke AA	791	117,255	38.3	5,358	2.8	1.1	3.8	15.9	27.7	16.8	49.1	48.8	48.6	32.2	22.4	30.8	0.0	0.0	0.0	0.0
Southside AA	878	113,462	42.5	2,539	0.8	0.5	0.6	20.0	19.0	19.2	67.6	71.9	69.2	11.4	8.7	10.9	0.2	0.0	0.0	0.1
Total	2,067	299,851	100.0	12,616	1.7	0.7	2.1	17.8	21.9	18.8	53.7	57.6	52.8	26.7	19.9	26.2	0.1	0.0	0.0	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues (Virginia) 2017-2019

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Lovington AA	3	170	0.1	181	87.4	100.0	60.2	2.5	0.0	10.1	0.0
Christiansburg AA	30	6,546	1.5	1,146	81.9	60.0	54.1	4.6	26.7	13.5	13.3
Lynchburg AA	365	62,418	17.7	3,392	85.1	73.2	50.3	4.8	26.0	10.1	0.8
Roanoke AA	791	117,255	38.3	5,358	83.8	67.6	48.7	4.9	31.0	11.3	1.4
Southside AA	878	113,462	42.5	2,539	81.2	68.2	47.7	5.5	31.3	13.4	0.5
Total	2,067	299,851	100.0	12,616	83.5	68.8	49.6	4.9	30.1	11.6	1.1

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography (North Carolina)																			2017-2019	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Burlington AA	214	65,557	37.9	5,515	0.0	0.0	0.0	22.9	15.9	20.0	47.8	46.3	48.8	29.3	37.9	31.2	0.0	0.0	0.0	
Greensboro AA	238	64,461	42.2	16,585	3.1	5.0	1.6	15.8	22.3	12.2	33.7	31.5	32.5	47.4	41.2	53.7	0.0	0.0	0.0	
Winston Salem AA	86	19,961	15.2	17,654	4.4	3.5	2.6	14.0	23.3	12.1	35.8	18.6	34.0	45.8	53.5	51.2	0.1	1.2	0.1	
Yanceyville AA	26	1,697	4.6	387	0.0	0.0	0.0	0.0	0.0	0.0	79.4	100.0	72.9	20.6	0.0	27.1	0.0	0.0	0.0	
Total	564	151,676	100.0	40,141	3.2	2.7	1.8	15.6	19.0	13.1	37.6	38.3	35.8	43.6	39.9	49.2	0.0	0.2	0.1	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower (North Carolina)																			2017-2019	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Burlington AA	214	65,557	37.9	5,515	21.8	4.2	5.6	17.8	5.6	18.4	18.3	15.0	21.8	42.1	50.0	39.2	0.0	25.2	15.0	
Greensboro AA	238	64,461	57.9	16,585	20.5	2.5	4.5	17.3	5.5	14.3	17.7	6.7	19.2	44.5	29.8	46.9	0.0	55.5	15.1	
Winston Salem AA	86	19,961	24.2	17,654	21.8	0.0	5.3	16.7	0.0	17.1	18.3	3.5	20.8	43.1	39.5	42.7	0.0	57.0	14.1	
Yanceyville AA	26	1,697	12.4	387	20.7	3.8	4.1	16.9	38.5	17.6	21.8	26.9	21.7	40.5	26.9	40.6	0.0	3.8	16.0	
Total	564	151,676	100.0	40,141	21.2	2.8	5.0	17.1	6.2	16.1	18.1	10.3	20.3	43.5	38.8	43.9	0.0	41.8	14.6	

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography (North Carolina)																			2017-2019		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Burlington AA	489	102,604	45.2	2,718	0.0	0.0	0.0	24.7	20.9	22.3	48.6	44.8	51.4	26.7	34.4	26.3	0.0	0.0	0.0		
Greensboro AA	422	104,548	39.0	11,853	4.9	1.2	4.5	20.5	16.4	21.5	29.2	27.7	29.5	45.2	54.7	44.3	0.2	0.0	0.1		
Winston Salem AA	157	43,133	14.5	10,046	7.1	2.5	5.9	16.8	4.5	14.9	31.2	30.6	33.3	44.2	57.3	45.3	0.7	5.1	0.7		
Yanceyville AA	15	1,478	1.4	225	0.0	0.0	0.0	0.0	0.0	0.0	77.7	93.3	73.3	22.3	6.7	26.7	0.0	0.0	0.0		
Total	1,083	251,763	100.0	24,842	5.2	0.8	4.5	19.3	16.4	18.7	32.4	36.8	33.8	42.7	45.2	42.6	0.4	0.7	0.3		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues (North Carolina)												2017-2019	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Burlington AA	489	102,604	45.2	2,718	82.4	55.4	44.0	5.4	43.8	12.3	0.8		
Greensboro AA	422	104,548	39.0	11,853	84.8	62.3	46.7	5.0	37.0	10.3	0.7		
Winston Salem AA	157	43,133	14.5	10,046	85.0	49.0	47.8	5.1	50.3	9.9	0.6		
Yanceyville AA	15	1,478	1.4	225	87.4	86.7	50.2	3.0	13.3	9.6	0.0		
Total	1,083	251,763	100.0	24,842	84.6	57.6	46.9	5.0	41.6	10.3	0.7		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%