

PUBLIC DISCLOSURE

October 20, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Zenith Bank & Trust
Certificate Number: 59318

4900 North Scottsdale Rd
Scottsdale, Arizona 85251

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
San Francisco Regional Office

25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Needs to Improve**.

An institution in this group needs to improve its overall record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit (LTD) ratio is less than reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and AA credit needs.
- A majority of loans are in the institution's AA.
- The geographic distribution of loans reflects poor dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, poor penetration among individuals of different income levels (including LMI) and businesses of different sizes.
- The institution has not received any CRA-related complaints since its inception; therefore, this factor did not affect the overall rating.

DESCRIPTION OF INSTITUTION

Zenith Bank & Trust (ZBT) is a newly state-chartered community bank headquartered in Scottsdale, Arizona. The institution commenced operations on October 2, 2023. This is ZBT’s first CRA Performance Evaluation. ZBT operates one full-service brick-and-mortar location in an upper-income census tract. ZBT and its affiliate, Zenith Wealth Advisors, are wholly owned by VB&T Holding Company, LLC., doing business as Zenith Financial Holding Company.

ZBT is primarily a commercial bank serving the credit and deposit needs of Maricopa County. The lending focus is on traditional, relationship-based banking products and services to small- and medium-sized businesses and professionals. The institution offers various types of commercial loan products including lines of credit, letters of credit, commercial real estate loans, commercial and industrial loans, and equipment lending. The institution also offers consumer loan products including secured and unsecured lines of credit, and home mortgage loans. ZBT began offering home mortgage loan products in the fourth quarter of 2024, including fixed- and adjustable-rate mortgage loans, construction, and home equity lines of credit (HELOCs). As of August 2025, the bank discontinued offering adjustable-rate mortgage loans. ZBT offers a variety of commercial and consumer deposit products including certificates of deposit, checking, savings, and money market accounts. Additionally, the institution offers commercial treasury management products and trust and wealth management services. Alternative systems for delivering retail banking services include mobile and online banking, bill pay, and peer-to-peer transfers.

According to the June 30, 2025 Call Report, the institution reported total assets of approximately \$109.5 million, total loans of approximately \$39.2 million, total deposits of approximately \$86.1 million, and total equity capital of approximately \$21.5 million. The following table illustrates the institution’s loan portfolio distribution as of June 30, 2025.

Loan Portfolio Distribution as of 6/30/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	2,427	6.2
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	10,145	25.9
Secured by Multifamily (5 or more) Residential Properties	3,700	9.5
Secured by Nonfarm Nonresidential Properties	10,203	26.0
Total Real Estate Loans	26,475	67.6
Commercial and Industrial Loans	8,445	21.5
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	4,342	11.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	77	0.2
Total Loans	39,185	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution’s ability to meet AA credit needs.

DESCRIPTION OF ASSESSMENT AREA

ZBT designated one AA consisting of the entirety of Maricopa County, which is part of the Phoenix-Mesa-Chandler, Arizona MSA. Maricopa County is located in the central part of Arizona. The delineated AA complies with the technical requirements of the CRA regulations and does not arbitrarily exclude any LMI areas.

Economic and Demographic Data

The following economic data was obtained from the August 2025 Moody's Analytics Report and the U.S. Bureau of Labor Statistics.

Phoenix-Mesa-Chandler MSA

The metropolitan area's economy has slowed, with job growth falling at a faster rate than the Mountain West average. However, labor force growth has outpaced household employment gains and average hourly earnings have outpaced the nation. The area's leading industries are finance and technology. The financial services and healthcare industries continue to expand, while consumer services and government have lost stability. Housing prices have declined faster than the nation, and housing development is trending lower. Strengths include robust population growth driven by immigration, and lower business costs than California. In addition, the area is a hub for expansion and relocation of banks, insurance companies, and business service firms. Weaknesses include high cyclicality due to dependence on investment and population inflows, and average wages that are well below the West. The area's top employers are Banner Health, Amazon, and Walmart Inc. As of August 2025, the unemployment rate was 4.2 percent, while the unemployment rate for the state of Arizona was 4.1 percent and 4.3 percent nationwide.

Based on the 2020 U.S. Census data, the AA consists of 1,009 census tracts of which 64 are low-, 259 are moderate-, 314 are middle-, 348 are upper-income, and 24 do not have an income designation. The following table illustrates the institution's AA demographic characteristics according to the 2020 U.S. Census and 2024 D&B data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	1,009	6.3	25.7	31.1	34.5	2.4
Population by Geography	4,420,568	5.8	25.6	32.6	35.4	0.6
Housing Units by Geography	1,765,880	5.4	26.5	33.5	34.3	0.4
Owner-Occupied Units by Geography	1,008,487	2.6	20.7	34.7	41.9	0.2
Occupied Rental Units by Geography	588,297	10.0	35.6	31.6	22.1	0.7
Vacant Units by Geography	169,096	5.6	29.3	32.5	32.0	0.6
Businesses by Geography	994,452	4.1	19.0	28.9	47.6	0.4
Farms by Geography	6,672	2.7	13.6	28.8	54.7	0.2
Family Distribution by Income Level	1,047,899	20.4	17.9	20.0	41.7	0.0
Household Distribution by Income Level	1,596,784	22.3	16.9	18.5	42.3	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$78,930	Median Housing Value		\$ 292,183	
			Median Gross Rent		\$1,219	
			Families Below Poverty Level		9.1%	
<i>Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

According to 2024 D&B data, non-classifiable establishments represent the largest portion of businesses at 26.4 percent; followed by professional, scientific, and technical services at 12.5 percent; and real estate rental and leasing at 7.9 percent. Additionally, 69.1 percent of the AA’s businesses have four or fewer employees and 96.8 percent operate from a single location. Approximately 93.6 percent of businesses have gross annual revenues of \$1.0 million or less, 1.1 percent of businesses have gross annual revenues over \$1.0 million, and 5.4 percent of businesses have unknown gross annual revenues.

Examiners analyzed home mortgage lending to borrowers of different income levels using FFIEC-estimated median family income. The following table presents the low-, moderate-, middle-, and upper-income ranges for the assessment area in 2024.

Median Family Income Ranges					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
Phoenix-Mesa-Chandler, AZ					
2024	\$ 101,300	< \$50,650	\$50,650 to < \$81,040	\$81,040 to < \$121,560	≥ \$121,560
<i>Source: FFIEC</i>					

Per 2020 U.S. Census data, of the 1,765,880 housing units in the assessment area, 57.1 percent are owner-occupied, 33.3 percent are occupied rental units, and 9.6 percent are vacant.

Competition

According to the June 30, 2025 FDIC Deposit Market Share Report, financial services are highly competitive in the AA, with 58 institutions operating 627 offices. Including ZBT, the 58 FDIC-insured institutions account for over \$177.5 billion in total deposits within the AA. ZBT ranks 43rd and holds less than 0.1 percent of the total deposit market share within the AA. The top five financial institutions are Western Alliance Bank, JPMorgan Chase Bank, Wells Fargo Bank, Bank of America, and MidFirst Bank. Together, these institutions account for approximately 80.3 percent of the AA's deposit market share with combined deposits of \$142.5 billion.

Community Contacts

Examiners reviewed two existing community contacts as part of the evaluation. The first was with a community development financial institution (CDFI) that focuses on affordable housing, small business financing, childcare affordability, and social matters throughout Phoenix and the state of Arizona. The contact indicated that opportunities for business expansion are limited. Small business lending was noted as a major credit need, with expansion and stabilization of small businesses emphasized. They stated affordable housing has been a growing need, with the inventory of affordable housing shrinking. The contact noted access to affordable childcare for LMI families also presents as a need. Opportunities for financial institution participation include small dollar loan programs, providing education relating to available programs and funding for small businesses, and technical assistance for startup businesses.

The second existing community contact was with an economic development organization that supports business attraction, retention, and expansion in Scottsdale. The contact noted the area's growth in tourism, which has become the metropolitan area's primary industry. Scottsdale is in the process of diversifying the economy to promote a sustainable economy that is dependent on other industries outside of tourism and sales. Industries and employers highlighted include finance and insurance, healthcare, technology, and logistics management, with major employers including Scottsdale Airpark, Nationwide, ASM, and General Dynamics. The contact noted that a majority of the area's demographics were upper-income retirees that moved to the area.

The contact also noted rising housing costs have made it difficult for individuals with entry-level jobs, recent graduates, and those in healthcare and public services industries to find housing. Thus, many individuals that work in Scottsdale commute from other communities such as Mesa, Tempe, and Phoenix. Affordable housing is identified as a need amidst the increase in housing and rental prices. The contact emphasized small business access to capital as the largest credit need of the area, with many small businesses facing difficulty in obtaining financing based on their risk profiles when compared to larger entities.

Credit Needs

Considering area demographics, economic data, discussions with bank management, and input from community contacts, examiners determined that the primary AA credit needs include small business loans, small dollar loans, affordable housing programs, and technical assistance for businesses, particularly for small and start-up businesses.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the institution's establishment date of October 2, 2023, to the current evaluation date of October 20, 2025. This is ZBT's first CRA Performance Evaluation. Examiners utilized the Interagency Small Institution Examination Procedures to evaluate ZBT's CRA performance and relied on records provided by the institution, public financial and loan information, demographic data, and two recent community contact interviews.

Activities Reviewed

According to management reports, ZBT's major product lines are consumer lines of credit, home mortgage loans, and small business loans. This conclusion considered the institution's business strategy, and the number and dollar volume of loans originated during the evaluation period. No other loan types, including small farm loans, represent a major product line.

Examiners analyzed and presented the universe of consumer and small business loans from October 2, 2023 through September 30, 2025. The institution did not offer home mortgage loans in 2023, thus the universe of home mortgage loans analyzed and presented were from January 1, 2024 through September 30, 2025.

The bank offers a consumer line of credit secured by an investment money market portfolio. This product made up 29 of 32, or 90.6 percent, of all consumer loans originated during the review period. The remaining three consumer loans consisted of two auto loans and one installment loan, which were made on an accommodation basis and not reviewed. ZBT originated 10 consumer lines of credit totaling \$12.6 million in 2023, 17 consumer lines of credit totaling \$20.7 million in 2024, and 2 consumer lines of credit totaling \$2.1 million year-to-date (YTD) in 2025. Furthermore, the institution does not consider borrower income when originating consumer lines of credit, thus consumer lines of credit were not considered under the borrower profile criterion. Examiners compared the bank's performance of consumer lines of credit against 2020 U.S. Census data. Consumer lines of credit were given the most weight, at 50 percent, given the higher volume by both number and dollar.

The institution originated 5 home mortgage loans totaling \$5.5 million in 2024 and 15 home mortgage loans totaling \$18.3 million in YTD 2025. The 2024 and YTD 2025 lending performance is compared to 2020 Census data. Home mortgage loans were given 25 percent weighting based on the lending volume and the bank's lending strategy.

In addition, ZBT originated five small business loans totaling \$1.7 million in 2024 and six small business loans totaling \$2.2 million in YTD 2025. While commercial loans have been offered since inception, the institution did not originate any small business loans in 2023. Despite the low small business lending volume throughout the review period, small business loans were given 25 percent weighting due to the bank's primary commercial lending strategy. The institution's 2024 and 2025 small business lending performance is compared to 2024 D&B data.

While number and dollar volume of loans are presented, examiners emphasized performance by the number of loans as it is a stronger indicator of the number of borrowers served. Furthermore, an evaluation of the bank’s lending performance focused on geographic distribution as the institution does not consider income for consumer loans and borrower profile is only applicable to home mortgage and small business loans.

Examiners also considered performance context including the bank’s de novo status, management’s business development and community outreach efforts, competition, and the high-interest rate environment.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The overall Lending Test is rated “Needs to Improve.” A less than reasonable LTD ratio, poor geographic distribution, and poor borrower profile performances primarily support this conclusion.

Loan-to-Deposit Ratio

ZBT’s LTD ratio is less than reasonable given the institution’s size, financial condition, and AA credit needs. The LTD ratio averaged 33.2 percent over the previous seven calendar quarters according to Call Report data from December 31, 2023 to June 30, 2025. The ratio ranged from a high of 48.1 percent as of June 30, 2025, to a low of 20.7 percent as of March 31, 2024. The institution’s LTD ratio underperformed significantly against three similarly situated institutions. All similarly situated institutions have designated either the entirety or partial areas of Maricopa County as their AA. Further, all similarly situated institutions are also de novo institutions that commenced operations 15 to 20 months prior to ZBT’s date of opening. Thus, any market conditions impacting the LTD ratio would be demonstrated in each of the similarly situated institutions’ performance.

While not presented below, examiners also compared ZBT’s average net LTD ratio to those of the similarly situated institutions during the first seven quarters of their operations. The average net LTD ratio for these similarly situated institutions during their first seven quarters of operations ranged from 36.0 percent to 61.0 percent. Examiners noted that the similarly situated institution with the average net LTD performance of 36.0 percent did not originate loans during the first three quarters of operations. Examiners selected similarly situated institutions based on their asset size, geographic location, and lending focus. The following table demonstrates ZBT’s LTD ratio compared to the similarly situated institutions.

LTD Ratio Comparison		
Institution	Total Assets as of 6/30/2025 (\$000s)	Average Net LTD Ratio (%)
Zenith Bank & Trust	109,545	33.2
Integro Bank	138,152	95.9
Gainey Business Bank	68,284	106.2
Scottsdale Community Bank	91,153	99.6

Source: Reports of Condition and Income: 12/31/2023 – 06/30/2025

Assessment Area Concentration

ZBT originated a majority of its consumer, home mortgage, and small business loans, by number and dollar volume, within the AA. The following table details the concentration of loans originated inside and outside the AA.

Lending Inside and Outside of the Assessment Area											
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000)	
	Inside		Outside			Inside		Outside			
	#	%	#	%		\$	%	\$	%		
Consumer											
YTD 2023	7	70.0	3	30.0	10	9,023	71.4	3,620	28.6	12,643	
2024	12	70.6	5	29.4	17	11,527	55.6	9,220	44.4	20,747	
YTD 2025	2	100.0	0	0	2	2,075	100.0	0	0	2,075	
Subtotal	21	72.4	8	27.6	29	22,625	63.8	12,840	36.2	35,465	
Home Mortgage											
2024	3	60.0	2	40.0	5	3,946	71.5	1,575	28.5	5,521	
YTD 2025	12	80.0	3	20.0	15	17,073	93.5	1,180	6.5	18,253	
Subtotal	15	75.0	5	25.0	20	21,019	88.4	2,755	11.6	23,774	
Small Business											
YTD 2023	0	0.0	0	0.0	0	0	0.0	0	0.0	0	
2024	4	80.0	1	20.0	5	1,324	76.8	400	23.2	1,724	
YTD 2025	3	50.0	3	50.0	6	1,586	73.5	572	26.5	2,158	
Subtotal	7	63.6	4	36.4	11	2,910	75.0	972	25.0	3,882	
Total	43	71.7	17	28.3	60	46,554	73.8	16,567	26.2	63,121	
<i>Source: Bank Data: 10/02/2023 - 09/30/2025</i>											
<i>Due to rounding, totals may not equal 100.0%.</i>											

Geographic Distribution

The geographic distribution of consumer, home mortgage, and small business loans reflects poor dispersion throughout the AA.

Consumer

The geographic distribution of consumer loans reflects poor dispersion throughout the AA. The following table shows the geographic distribution of consumer loans in the AA by year and tract income level.

Geographic Distribution of Consumer Loans					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low					
YTD 2023	5.3	0	0.0	0	0.0
2024	5.3	0	0.0	0	0.0
YTD 2025	5.3	0	0.0	0	0.0
Moderate					
YTD 2023	26.2	0	0.0	0	0.0
2024	26.2	0	0.0	0	0.0
YTD 2025	26.2	0	0.0	0	0.0
Middle					
YTD 2023	33.6	0	0.0	0	0.0
2024	33.6	0	0.0	0	0.0
YTD 2025	33.6	0	0.0	0	0.0
Upper					
YTD 2023	34.6	7	100.0	9,023	100.0
2024	34.6	12	100.0	11,527	100.0
YTD 2025	34.6	2	100.0	2,075	100.0
NA					
YTD 2023	0.4	0	0.0	0	0.0
2024	0.4	0	0.0	0	0.0
YTD 2025	5.3	0	0.0	0	0.0
Total					
YTD 2023	100.0	7	100.0	9,023	100.0
2024	100.0	12	100.0	11,527	100.0
YTD 2025	100.0	2	100.0	2,075	100.0
<i>Source: 2020 Census; Bank Data: 10/02/2023 – 09/30/2025</i> <i>Due to rounding, totals may not equal 100.0%.</i>					

Of the 21 consumer lines of credit made during the review period in the AA, none were made in LMI geographies. While the percentage of households located in low-income census tracts indicates limited lending opportunity, demographic data demonstrates greater lending opportunity to moderate-income census tracts. Despite such lending opportunity, all consumer lines of credit were made in upper-income census tracts.

Home Mortgage

The geographic distribution of home mortgage loans reflects poor dispersion throughout the AA. The following table shows the geographic distribution of home mortgage loans in the AA by year and tract income level.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner Occupied Housing Units	#	%	\$(000s)	%
Low					
2024	2.6	0	0.0	0	0.0
YTD 2025	2.6	0	0.0	0	0.0
Moderate					
2024	20.7	0	0.0	0	0.0
YTD 2025	20.7	0	0.0	0	0.0
Middle					
2024	34.7	0	0.0	0	0.0
YTD 2025	34.7	1	8.3	3,700	21.7
Upper					
2024	41.9	3	100.0	3,946	100.0
YTD 2025	41.9	11	91.7	13,373	78.3
NA					
2024	0.2	0	0.0	0	0.0
YTD 2025	0.2	0	0.0	0	0.0
Total					
2024	100.0	3	100.0	3,946	100.0
YTD 2025	100.0	12	100.0	17,073	100.0
<i>Source: 2020 Census; Bank Data: 01/01/2024 - 09/30/2025 Due to rounding, totals may not equal 100.0%.</i>					

Of the 15 home mortgage loans made in the AA during the review period, none were made within LMI geographies. While lending opportunity in low-income census tracts is low based on the low percentage of owner-occupied housing units, lending opportunity to moderate-income census tracts is present. Furthermore, while not used as a direct benchmark for lending performance, aggregate lending data is useful as an indicator of credit demand, since not all borrowers have credit needs or are credit worthy. In 2024, aggregate data showed that 2.1 percent of reported home mortgage loans were originated in low-income census tracts and 17.7 percent were originated in moderate-income census tracts. In addition, ZBT's performance is consistent with the poor performance of a similarly situated institution that did not originate any HELOCs/home mortgage loans in LMI census tracts.

Small Business

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. While the bank did not make any loans in low-income census tracts, examiners note the limited lending opportunity, with 4.1 percent of businesses located in low-income geographies. Additionally, with such limited lending opportunity, one or two loans can significantly impact the bank's performance. In 2024, ZBT made two loans in moderate-income tracts, representing 50.0 percent of lending by number. In addition, YTD 2023 represents approximately three months and was the bank's first three months of operation with no small business loans made in the AA. The

following table shows the geographic distribution of small business loans in the AA by year and tract income level.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
YTD 2023	4.1	0	0.0	0	0.0
2024	4.1	0	0.0	0	0.0
YTD 2025	4.1	0	0.0	0	0.0
Moderate					
YTD 2023	18.9	0	0.0	0	0.0
2024	19.0	2	50.0	770	58.2
YTD 2025	19.0	0	0.0	0	0.0
Middle					
YTD 2023	28.6	0	0.0	0	0.0
2024	28.9	1	25.0	50	3.8
YTD 2025	28.9	2	66.7	900	56.8
Upper					
YTD 2023	47.9	0	0.0	0	0.0
2024	47.6	1	25.0	504	38.1
YTD 2025	47.6	1	33.3	686	43.3
NA					
YTD 2023	0.5	0	0.0	0	0.0
2024	0.4	0	0.0	0	0.0
YTD 2025	0.4	0	0.0	0	0.0
Total					
YTD 2023	100.0	0	0.0	0	0.0
2024	100.0	4	100.0	1,324	100.0
YTD 2025	100.0	3	100.0	1,586	100.0
<i>Source: 2023 & 2024 D&B Data.; Bank Data: 10/02/2023 - 09/30/2025 Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among individuals of different income levels and businesses of different sizes. As previously mentioned, consumer loans were not considered under the borrower profile criterion as income is not considered for these loan types.

Home Mortgage

The distribution of borrowers reflects poor penetration among individuals of different income levels. The following table illustrates the bank’s home mortgage loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2024	20.4	0	0.0	0	0.0
YTD 2025	20.4	0	0.0	0	0.0
Moderate					
2024	17.9	0	0.0	0	0.0
YTD 2025	17.9	0	0.0	0	0.0
Middle					
2024	20.0	0	0.0	0	0.0
YTD 2025	20.0	0	0.0	0	0.0
Upper					
2024	41.7	3	100.0	3,946	100.0
YTD 2025	41.7	12	100.0	17,073	100.0
NA					
2024	0.0	0	0.0	0	0.0
YTD 2025	0.0	0	0.0	0	0.0
Total					
2024	100.0	3	100.0	3,946	100.0
YTD 2025	100.0	12	100.0	17,073	100.0
<small>Source: 2020 Census; Bank Data: 01/01/2024 - 09/30/2025 Due to rounding, totals may not equal 100.0%.</small>					

Of the 15 home mortgage loans made in the AA during the review period, no loans were made to LMI borrowers. All home mortgage loans were made to upper-income borrowers. Furthermore, while not used as a direct benchmark for lending performance, aggregate lending data is useful as an indicator of credit demand, since not all borrowers have credit needs or are credit worthy. 2024 aggregate data shows that aggregate lenders originated 4.9 percent of home mortgage loans to low-income borrowers and 14.7 percent of home mortgage loans to moderate-income borrowers. ZBT’s home mortgage lending performance was consistent with the poor performance of one similarly situated institution that also did not make any home mortgage loans to LMI borrowers.

Small Business

The distribution of borrowers reflects poor penetration among businesses of different sizes. Examiners noted that given the volume of lending, one or two loans can significantly change the bank’s lending percentages to small businesses. The institution did not originate small business loans in the three-month period of 2023. In 2024, ZBT made one loan to a small business, representing 25.0 percent of 2024 small business lending. The remaining two small business loans

with revenues available were originated to businesses with revenues greater than \$1.0 million in 2025. Four of the seven small business loans made in the AA did not have revenues or financial information collected by the institution. Considering all performance factors, the institution did not meet the small business lending opportunities of businesses with revenues of \$1.0 million or less. The following table illustrates the bank’s small business loans by gross annual revenue.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
YTD 2023	94.1	0	0.0	0	0.0
2024	93.6	1	25.0	30	2.3
YTD 2025	-	0	0.0	0	0.0
> \$1,000,000					
YTD 2023	1.3	0	0.0	0	0.0
2024	1.1	0	0.0	0	0.0
YTD 2025	-	2	66.7	1,436	90.5
Revenue Not Available					
YTD 2023	4.6	0	0.0	0	0.0
2024	5.4	3	75.0	1,294	97.7
YTD 2025	-	1	33.3	150	9.5
Total					
YTD 2023	100.0	0	0.0	0	0.0
2024	100.0	4	100.0	1,324	100.0
YTD 2025	0.0	3	100.0	1,586	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data: 10/02/2023 - 09/30/2025</i>					
<i>Due to rounding, totals may not equal 100.0%.</i>					

Response to Complaints

The institution has not received any CRA-related complaints since its inception; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination or other illegal credit practices was reviewed, including the Equal Credit Opportunity Act and the Fair Housing Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

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

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.