



PUBLIC DISCLOSURE

May 20, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sandy Spring Bank

Olney, Maryland

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

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

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506922

17801 Georgia Avenue

Olney, Maryland 20832

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: SATISFACTORY

The following table indicates the performance level of Sandy Spring Bank with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	<u>SANDY SPRING BANK</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

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

Major factors supporting the institution's rating include:

- Lending activity reflects good responsiveness to local credit needs consistent with the bank's capacity and economic conditions.
- A substantial majority of the institution's residential mortgage and small business loans were originated within the bank's assessment area.
- While the distribution varies by product and year, the overall geographic and borrower distribution performances are good.
- The bank exhibits a good record of serving the credit needs of low-income individuals and geographies as well as very small businesses.
- The bank extended a relatively high level of community development loans during the evaluation period and made use of flexible and/or innovative lending practices in serving the assessment area's credit needs.
- The bank maintains a significant level of qualified community development investments that demonstrate good responsiveness to local credit and community development needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.

- Delivery systems and branch locations are reasonably accessible to geographies and individuals of different income levels within the institution's assessment area.
- Bank services do not vary in a way that inconveniences the bank's assessment area, particularly to low- and moderate-income areas and/or people.
- The bank's record of opening and closing branch offices has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and or individuals.
- During the evaluation period, the bank provided an adequate level of qualified community development services given its capacity and available opportunities within its assessment area.

INSTITUTION

DESCRIPTION OF INSTITUTION

Sandy Spring Bank (SSB) is headquartered in Olney, Maryland, and is a wholly owned subsidiary of Sandy Spring Bankcorp, Incorporated, a single bank holding company also headquartered in Olney, Maryland. The bank has three non-bank subsidiaries: SSB Wealth Management, Inc. and West Financial Services, Inc., which offer wealth management services, and SASR Holdings, LLC, which is a real estate holding company.

SSB currently operates 54 full-service branch offices and 49 standalone automatic teller machines (ATMs) throughout southern Maryland, Washington, D.C., and northern Virginia. Since the previous evaluation, SSB closed two branch offices, which are detailed in *Appendix B*. Both of the closed branch offices were located in upper-income census tracts. The bank has not opened any branch offices since the previous evaluation.

As of March 31, 2024, SSB had assets of \$13.9 billion, of which 81.3% were net loans and 10% were securities. Deposits totaled \$11.4 billion as of the same time-period. Various deposit and loan products are available throughout the institution, including loans for residential mortgage, consumer, and business purposes. The composition of the loan portfolio (using gross loans) as of March 31, 2024, is represented in the following table.

Composition of Loan Portfolio

Loan Type	3/31/2024	
	\$ (000s)	%
Secured by 1-4 Family dwellings	2,400,992	21.1
Multifamily	794,519	7.0
Construction and Development	1,277,736	11.2
Commercial & Industrial/ NonFarm NonResidential	6,793,179	59.7
Consumer Loans and Credit Cards	27,751	0.2
Agricultural Loans/ Farmland	22,727	0.2
All Other	64,008	0.6
Total	11,380,912	100.0

As indicated in the preceding table, SSB is an active commercial and residential mortgage lender. The bank offers other loans, such as consumer loans; however, the dollar volume of such lending is relatively small in comparison to its commercial and residential mortgage lending. Based on its financial capacity, there are no significant limitations on the bank's ability to meet credit needs within the communities it serves.

SCOPE OF EXAMINATION

SSB was evaluated using the interagency examination procedures for large banks developed by the Federal Financial Institutions Examination Council (FFIEC). SSB is required to report certain information regarding its home mortgage lending in accordance with the Home Mortgage Disclosure Act (HMDA) as well as collect loan data for small business and small farm loans in accordance with the CRA. While the bank has reported its 2023 HMDA and CRA data, that data is not included in this analysis because the 2023 aggregate data is not yet available. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2023 is an important performance context factor needed to evaluate the bank's lending performance, especially since the lingering effects of the pandemic and the resulting economic impacts carried forward into 2023. Accordingly, the bank's 2021 and 2022 HMDA and CRA loan originations and purchases were considered in this evaluation. Since the bank did not originate any small farm loans during the evaluation period, such loans are not included in the analysis.

The evaluation also considered any qualified community development loans, investments, donations, and services, originated, renewed, purchased, or provided since the previous evaluation dated October 12, 2021. In addition, all qualified investments funded as of the evaluation date were considered, regardless of when made.

To help determine the availability of community development opportunities within the bank's assessment area, the CRA public evaluations of other financial institutions operating in the same area were reviewed. Additionally, contact with members of the community was made to discern information about area economic conditions, local credit needs, performance of banks in the assessment area, as well as potential community development opportunities.

DESCRIPTION OF WASHINGTON-BALTIMORE-ARLINGTON, VA-DC-MD ASSESSMENT AREA

The bank's assessment area is located within the Washington-Baltimore-Arlington, VA-DC-MD combined statistical area (CSA) and includes two partial metropolitan statistical areas (MSA); the Baltimore-Columbia-Towson, MD MSA and the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA. The Washington-Arlington-Alexandria, DC-VA-MD-WV MSA is comprised of two metropolitan divisions; the bank takes the entirety of the Frederick-Gaithersburg-Rockville, MD metropolitan division and a portion of the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division. The assessment area includes whole cities and counties. The complete composition of the multistate area is detailed in *Appendix C*.

Based on 2022 FFIEC Census data, the assessment area has a total population of 8,074,613 and a median housing value of \$406,006. Within the assessment area, the owner-occupancy rate is 58.9%, which is higher than the owner-occupancy rate for the District of Columbia (38.4%) and approximates the rates for the State of Maryland (60.8%) and the Commonwealth of Virginia (60%). The owner-occupancy rate for the assessment area is also lower than the rate in the Frederick-Gaithersburg-Rockville, MD metropolitan division (64.6%), and approximates the rates in the Baltimore-Columbia-Towson, MD MSA (60.8%), and the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (59.1%). The percentage of families living below the poverty level in the assessment area (5.6%) is lower than the percentage in the District of Columbia (11.3%) and the Commonwealth of Virginia (6.8%) and is substantially similar to the percentage of families in Maryland (5.9%). The percentage of families living below the poverty line in the assessment area is slightly lower than the percentage of families in the Baltimore-Columbia-Towson, MD MSA (6.4%), approximates the percentage in the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (5.2%), and is higher than the percentage of families in the Frederick-Gaithersburg-Rockville, MD metropolitan division (4.4%). The following table provides Housing and Urban Development (HUD) adjusted median family income information for the bank's MSA and metropolitan divisions.

Assessment Area	2021	2022	2023
Washington-Arlington-Alexandria, DC-VA-MD-WV	\$122,100	\$139,700	\$150,100
Baltimore-Columbia-Towson, MD	\$105,100	\$116,100	\$121,700
Frederick-Gaithersburg-Rockville, MD	\$129,900	\$143,900	\$151,400

The following table provides family and household demographic information for the assessment area during 2022, as well as the tract and owner-occupied housing unit distribution by tract income level. The table also provides Dun & Bradstreet (D&B) business data. 2021 demographic information, tract, and owner-occupied housing unit distribution by tract income level are provided in *Appendix A*.

2022 Washington-Baltimore-Arlington, VA-DC-MD AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	197	10.2	139,177	7.5	28,984	20.8	403,985	21.7
Moderate	432	22.3	393,626	21.2	34,289	8.7	311,046	16.7
Middle	624	32.2	636,596	34.2	26,050	4.1	377,185	20.3
Upper	648	33.4	682,844	36.7	12,840	1.9	768,239	41.3
Unknown	39	2.0	8,212	0.4	1,802	21.9	0	0.0
Total AA	1,940	100.0	1,860,455	100.0	103,965	5.6	1,860,455	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	291,839	77,616	4.2	26.6	174,362	59.7	39,861	13.7
Moderate	701,730	330,851	18.1	47.1	316,297	45.1	54,582	7.8
Middle	1,049,747	663,396	36.2	63.2	330,281	31.5	56,070	5.3
Upper	1,047,458	755,620	41.2	72.1	239,096	22.8	52,742	5.0
Unknown	23,161	5,151	0.3	22.2	14,395	62.2	3,615	15.6
Total AA	3,113,935	1,832,634	100.0	58.9	1,074,431	34.5	206,870	6.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	21,130	5.0	19,600	5.0	1,348	4.2	182	4.8
Moderate	79,693	18.7	72,834	18.7	6,245	19.3	614	16.2
Middle	145,996	34.2	133,130	34.1	11,763	36.3	1,103	29.1
Upper	175,785	41.2	161,566	41.4	12,570	38.8	1,649	43.5
Unknown	3,990	0.9	3,236	0.8	511	1.6	243	6.4
Total AA	426,594	100.0	390,366	100.0	32,437	100.0	3,791	100.0
Percentage of Total Businesses:				91.5		7.6		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	58	2.2	58	2.3	0	0.0	0	0.0
Moderate	297	11.3	289	11.2	8	15.1	0	0.0
Middle	1,010	38.4	985	38.3	25	47.2	0	0.0
Upper	1,255	47.8	1,233	47.9	19	35.8	3	100.0
Unknown	8	0.3	7	0.3	1	1.9	0	0.0
Total AA	2,628	100.0	2,572	100.0	53	100.0	3	100.0
Percentage of Total Farms:				97.9		2.0		0.1
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

The federal government provides a large portion of area employment opportunities for residents in addition to opportunities provided by local government agencies. In addition, healthcare, hospitality, retail, manufacturing, and construction, are primary employment drivers of the local economy. Major area employers include Amazon Fulfillment Services, Inc., Arine Inc., Capital One, Centric Business Systems, Clean Harbors, Inc., First Watch Restaurants, General Dynamics, Giant Food, Inova Health Systems, Live! Casino & Hotel, Lockheed Martin, McDonald's, M.C. Dean, Inc., Northrop Grumman, Penguin Random House, and United Airlines. The following table contains employment data by industry within the assessment area.

Washington-Baltimore-Arlington, VA-DC-MD Employees by Industry												
	2020 - Q2	2020 - Q3	2020 - Q4	2021 - Q1	2021 - Q2	2021 - Q3	2021 - Q4	2022 - Q1	2022 - Q2	2022 - Q3	2022 - Q4	2023 - Q1
Government												
Government Total, all industries	832,503*	803,053*	832,347*	826,384*	839,408*	816,613*	844,578*	827,659	835,991	814,101	836,176	833,656
Private Sector												
Private Sector Total, all industries	2,870,953	3,036,424	3,084,716	3,038,762	3,113,231	3,175,957	3,217,696	3,158,933	3,223,193	3,269,002	3,261,788	3,226,064
Agriculture, forestry, fishing and hunting	1,820*	1,912*	1,882*	1,844*	2,212*	2,209*	2,134*	1,552*	1,734*	1,653*	1,659*	1,299*
Mining, quarrying, and oil and gas extraction	497*	559*	496*	561*	558*	558*	546*	543*	510*	511*	552*	524*
Utilities	9,180*	9,135*	9,031*	9,017*	9,116*	9,211*	9,021*	9,436*	10,232*	11,706*	11,189*	10,583*
Construction	201,055*	208,363*	208,215*	203,387*	207,772*	209,603*	209,809*	203,514*	209,052*	212,816*	211,565*	207,890*
Manufacturing	93,614*	95,708*	95,467*	98,778*	98,771*	97,306*	99,700*	98,143*	99,055*	99,854*	100,051*	100,900*
Wholesale trade	73,524*	73,975*	75,093*	73,834*	74,587*	75,222*	77,171*	76,670*	79,948*	90,692	89,110*	79,239*
Retail Trade	279,967	313,714	331,801*	323,370	326,992	327,911	337,501	328,079	328,483	330,444	336,177	326,867*
Transportation and warehousing	98,716*	103,112*	107,392*	104,263*	102,223*	112,624*	122,277*	117,825*	120,131*	120,365*	119,928*	118,072*
Information	81,641	82,093	82,052*	80,525	81,503	82,499	83,716	83,134	84,364	85,164	84,721	82,543
Finance and insurance	128,206	128,881	128,200	127,424	126,580	126,359	125,336	123,216	121,881	122,195	120,633	116,505
Real estate and rental and leasing	65,164	65,371	65,941	64,628	65,507	66,420	67,149	65,979	67,251	68,543	68,297	67,334
Professional and technical services	581,181*	587,288*	590,217*	588,688*	591,874*	593,590*	597,668*	593,820*	598,217*	607,029*	603,721*	603,216*
Management of companies and enterprises	54,274*	54,072*	53,299*	53,534*	53,937*	53,487*	54,128*	55,760*	56,141*	57,866*	57,850*	56,744*
Administrative and waste services	231,925	241,024	243,524	236,597	249,377	256,133	258,359	247,640	255,703	258,839	256,963	247,398*
Educational services	117,247*	113,117*	120,533*	121,174*	120,306*	119,120*	127,136*	125,468*	125,212*	121,853*	128,614*	129,319*
Health care and social assistance	442,895*	460,287*	469,738*	468,696*	471,404*	473,368*	478,703*	474,900*	478,857*	484,168*	487,312*	491,771*
Arts, entertainment, and recreation	28,607	46,515	40,991*	37,316	49,354*	60,285*	50,009*	46,674	59,693	66,890	54,379	52,080*
Accommodation and food services	188,821	242,864	246,240*	236,253	269,705*	295,600*	301,793*	295,752	317,811	326,800	323,693	323,192*
Other services, except public administration	164,849	178,351	181,965	179,467	183,703	185,765	187,053	183,852	186,927	188,763	187,682	186,181
Public administration	0	0	0	0	0	0	0	0	0	0	0	0
Unclassified	3,458	4,041	4,489*	4,341	4,016	4,163	4,033	4,252	4,848	5,690	5,038	5,322

Source: Bureau of Labor Statistics(BLS), Quarterly Census of Employment and Wages

* indicates that some or all of the data for this category was suppressed for confidentiality reasons

Recent unemployment rates are reflected in the following table.

Washington-Baltimore-Arlington, VA-DC-MD - Annual Average Unemployment Rates					
Area	2018	2019	2020	2021	2022
District of Columbia, DC	5.7%	5.5%	7.9%	6.8%	4.7%
Anne Arundel County, MD	3.2%	2.9%	5.6%	4.4%	2.8%
Baltimore County, MD	3.9%	3.5%	6.6%	5.2%	3.3%
Carroll County, MD	3.1%	2.8%	4.9%	3.9%	2.7%
Frederick County, MD	3.4%	3.0%	5.6%	4.4%	3.0%
Howard County, MD	2.9%	2.6%	4.9%	4.0%	2.6%
Montgomery County, MD	3.1%	2.8%	6.1%	5.1%	2.9%
Prince George's County, MD	3.9%	3.6%	7.8%	6.8%	3.5%
Baltimore city, MD	5.5%	4.9%	8.5%	7.0%	4.3%
Arlington County, VA	2.0%	1.9%	4.6%	3.0%	2.1%
Fairfax County, VA	2.5%	2.3%	6.0%	3.5%	2.5%
Loudoun County, VA	2.5%	2.3%	5.5%	3.1%	2.4%
Prince William County, VA	2.8%	2.5%	6.7%	3.9%	2.7%
Alexandria city, VA	2.3%	2.1%	6.2%	3.8%	2.4%
Fairfax city, VA	2.3%	2.1%	6.0%	3.4%	2.4%
Falls Church city, VA	2.2%	2.1%	4.0%	2.7%	2.2%
Manassas city, VA	2.7%	2.5%	6.8%	3.9%	2.6%
Manassas Park city, VA	2.7%	2.5%	6.9%	3.8%	2.5%
Baltimore-Columbia-Towson, MD MSA	3.9%	3.4%	6.3%	5.0%	3.2%
Frederick-Gaithersburg-Rockville, MD MD	3.1%	2.8%	6.0%	4.9%	2.9%
Washington-Arlington-Alexandria, DC-VA-MD-WV MD	3.3%	3.1%	6.6%	4.6%	3.0%
District of Columbia	5.7%	5.5%	7.9%	6.8%	4.7%
Maryland	3.8%	3.4%	6.5%	5.3%	3.2%
Virginia	3.0%	2.8%	6.5%	3.9%	2.9%
Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics					

Unemployment rates within the assessment area have decreased significantly since 2020, as the local employment market normalizes in the years following the initial COVID-19 pandemic restrictions. The unemployment rate for the Commonwealth of Virginia is generally lower than the unemployment rate for the State of Maryland and District of Columbia. Unemployment rates in cities and counties throughout the assessment area varied in relation to the those of their respective states.

The following table reflects the changes in median family income between the 2015 and 2020 ACS censuses.

Washington-Baltimore-Arlington, VA-DC-MD Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Washington-Baltimore-Arlington, VA-DC-MD	\$105,140	\$120,028	14.2%
District of Columbia, DC	\$93,220	\$120,337	29.1%
Anne Arundel County, MD	\$112,105	\$119,273	6.4%
Baltimore County, MD	\$89,951	\$97,334	8.2%
Carroll County, MD	\$110,577	\$115,452	4.4%
Frederick County, MD	\$107,142	\$115,536	7.8%
Howard County, MD	\$140,400	\$148,026	5.4%
Montgomery County, MD	\$128,703	\$133,556	3.8%
Prince George's County, MD	\$93,355	\$101,564	8.8%
Baltimore city, MD	\$55,756	\$64,814	16.2%
Arlington County, VA	\$153,876	\$165,016	7.2%
Fairfax County, VA	\$141,822	\$149,576	5.5%
Loudoun County, VA	\$150,266	\$164,579	9.5%
Prince William County, VA	\$117,238	\$118,829	1.4%
Alexandria city, VA	\$119,173	\$137,135	15.1%
Fairfax city, VA	\$136,077	\$147,236	8.2%
Falls Church city, VA	\$180,745	\$182,567	1.0%
Manassas city, VA	\$85,553	\$96,157	12.4%
Manassas Park city, VA	\$85,414	\$79,375	-7.1%
Baltimore-Columbia-Towson, MD MSA	\$95,915	\$104,637	9.1%
Frederick-Gaithersburg-Rockville, MD MD	\$123,084	\$129,092	4.9%
Washington-Arlington-Alexandria, DC-VA-MD-WV MD	\$115,928	\$126,224	8.9%
District of Columbia	\$93,220	\$120,337	29.1%
Maryland	\$98,429	\$105,790	7.5%
Virginia	\$85,647	\$93,284	8.9%
Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.			

Except for Manassas Park City, VA, median family incomes have increased from 2015 to 2020 within the assessment area, the MSAs, the State of Maryland, Commonwealth of Virginia, and District of Columbia. Despite the increase in median family income across most areas, a majority of local housing cost burden percentages remained higher than 30 percent of household incomes during the review period for low- and moderate-income renters and owners within the assessment area, as presented in the chart below.

Washington-Baltimore-Arlington, VA-DC-MD Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Washington-Baltimore-Arlington, VA-DC-MD	78.0%	49.4%	43.2%	68.1%	41.8%	21.1%
District of Columbia, DC	69.2%	46.9%	40.7%	65.5%	43.1%	20.9%
Anne Arundel County, MD	80.9%	62.6%	42.9%	64.0%	44.1%	20.0%
Baltimore County, MD	82.4%	39.4%	45.6%	62.7%	32.5%	19.9%
Carroll County, MD	63.4%	27.3%	38.3%	57.4%	41.4%	18.5%
Frederick County, MD	77.0%	30.4%	44.2%	60.9%	38.4%	19.1%
Howard County, MD	78.3%	67.4%	40.3%	79.1%	43.8%	17.4%
Montgomery County, MD	83.9%	58.7%	46.0%	71.9%	47.3%	21.7%
Prince George's County, MD	82.4%	42.8%	46.7%	74.4%	52.1%	26.5%
Baltimore city, MD	69.7%	30.4%	45.6%	63.3%	26.4%	25.2%
Arlington County, VA	79.5%	75.9%	35.0%	71.6%	46.5%	16.9%
Fairfax County, VA	83.2%	70.4%	41.9%	71.8%	54.7%	20.3%
Loudoun County, VA	80.7%	62.9%	39.9%	67.6%	44.9%	17.6%
Prince William County, VA	85.9%	53.5%	45.0%	70.7%	51.7%	21.6%
Alexandria city, VA	86.0%	55.1%	40.2%	72.3%	55.3%	18.9%
Fairfax city, VA	71.1%	75.0%	41.4%	63.9%	36.4%	22.5%
Falls Church city, VA	87.4%	81.3%	33.6%	85.4%	70.0%	26.1%
Manassas city, VA	85.7%	49.7%	56.2%	74.5%	37.5%	25.0%
Manassas Park city, VA	98.1%	45.1%	55.1%	72.5%	54.5%	28.8%
Baltimore-Columbia-Towson, MD MSA	74.9%	42.3%	44.1%	63.9%	35.3%	20.3%
Frederick-Gaithersburg-Rockville, MD MD	82.7%	53.9%	45.8%	69.0%	44.9%	21.1%
Washington-Arlington-Alexandria, DC-VA-MD-WV MD	78.1%	52.1%	42.0%	69.0%	47.4%	21.1%
District of Columbia	69.2%	46.9%	40.7%	65.5%	43.1%	20.9%
Maryland	77.2%	42.8%	44.7%	66.3%	38.1%	21.4%
Virginia	76.5%	45.9%	41.9%	60.2%	35.2%	19.1%
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy						

A local official from a county-level economic development office was contacted during the evaluation to assist in evaluating the bank's CRA performance and to discuss local economic conditions and community credit needs within the assessment area. The economic development office's purpose is to encourage expansion and retention of existing businesses, as well as encourage the relocation of businesses into the area. While the organization encourages business development across all industries, it targets specific industries, such as life sciences and biology, information technology, specialized logistics and supply chain, government contractors and corporate facilities, small business and entrepreneurs, and businesses that redevelop underutilized parcels for mixed-use development. To incentivize businesses and carry out its mission, the economic development office offers funds for infrastructure improvements, site preparation, workforce training, and capital equipment purchases. Additionally, the organization offers a grant for customer-facing small businesses that either own or lease their facilities; however, according to the office, this program has slowed down considering the current interest rate environment. The contact noted that the economic development office is currently seeking partnerships with local financial institutions to extend affordable loans to small businesses and is unaware of any discriminatory activities or practices by local financial institutions.

SSB holds a strong deposit market share within the assessment area (ranked 7th of 80 banks operating within the assessment area) having 3% of all FDIC-insured deposits as of June 30, 2023. Overall, there is significant opportunity for community development loans and investments within the market area. Despite it being a competitive market, the bank faces no significant constraints in taking advantage of all available community development opportunities. SSB serves the assessment area through its array of banking services and products, which includes community development loans, investments, and services that benefit low- and moderate-income borrowers and areas, and small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank's Lending Test performance in the Washington-Baltimore-Arlington, VA-DC-MD multistate assessment area is high satisfactory. Lending levels reflect good responsiveness to assessment area credit needs. Overall, the geographic and borrower distribution reflects good penetration throughout the assessment area and among customers of different income levels and businesses of different sizes. The bank originated a relatively high level of community development loans within the assessment area.

The Investment Test performance is high satisfactory, and the bank holds a significant level of qualified community development investments and grants that benefit the multistate area. Through its qualified investments and grants, the bank exhibits good responsiveness to credit and community development needs.

The Service Test performance is low satisfactory. The bank's delivery systems are reasonably accessible to all portions of the assessment area. Since the previous evaluation, branching activity has not adversely impacted the accessibility of its delivery systems, especially to low- and moderate-income residents and geographies. Business hours do not vary in a way that inconveniences any group of individuals or area. Further, the bank provides an adequate level of community development services that benefit the multistate area.

LENDING TEST

The institution's Lending Test performance within the multistate area is considered high satisfactory, which is based on an evaluation of the institution's lending activity, the geographic and borrower distribution of lending, as well as the level of community development lending, while considering the bank's market strategy, area demographic data, and aggregate HMDA and CRA loan data.

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

When evaluating the bank's performance, relevant area demographic data from the 2020 American Community Survey (ACS) is used as a proxy for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in the performance evaluation is based on ACS data that is updated once every five years. Additionally, aggregate HMDA and CRA small business loan data reported from 2021 and 2022 is considered when evaluating the bank's performance. Aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA loan data within the bank's assessment area. Because SSB is required to report HMDA and CRA loan data, its lending is included in the aggregate data. D&B demographic data from 2021 and 2022 are also considered when evaluating the bank's performance.

During 2021 and 2022, the bank reported approximately \$3.1 billion in HMDA and \$1.1 billion in small business loans within its assessment area. In assessing the bank's HMDA lending performance, consideration was given to all HMDA loan categories and the associated performance for each, and the proportion of each category relative to the bank's total reported HMDA activity. Each loan category has been analyzed independently, and overall conclusions consider the performance of all HMDA loan categories. In general, greater weight was given to loan categories and years with higher associated dollar volume.

During 2021, the bank was an active Paycheck Protection Program (PPP) lender, which was a Small Business Administration-backed loan program designed to help businesses keep their workforce employed during the coronavirus pandemic crisis. As part of the program, lenders were not required to consider borrower revenue as underwriting criteria; consequently, large volumes of small business loans were originated during 2021 for which revenue was unknown.

For the analysis of small business loans by borrower revenue, Paycheck Protection Program (PPP) lending had a significant impact on the bank's reported data as well as aggregate data during 2021 because the PPP loan program did not require the collection or consideration of borrower revenue. The 2020 and 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which includes aggregate PPP lending for which borrower revenue was unknown. Given these factors, when evaluating borrower distribution by business revenue, the analysis includes the percentage of loans originated to businesses with revenues less than \$1 million as compared to all originated loans, as well as the percentage of those loans compared to the volume of loans where revenues are known.

Lending Activity:

As of June 30, 2023, SSB ranked 7th of 80 banks operating within the assessment area in deposit market share, having 3% of all FDIC-insured deposits (excluding credit union deposits). According to 2022 aggregate data, the institution ranked 27th of 895 reporters of mortgage lending with a 1% market share of originations and ranked 16th of 265 reporters of small business loans with a 0.6% market share of originations. All market share rankings consider originated and purchased loans. Lending activity reflects good responsiveness to assessment area credit needs and is considered good overall. Combined lending activity from 2021 and 2022 is detailed in the following table.

Summary of Lending Activity*				
Loan Type	#	%	\$ ('000s)	%
Home Purchase	2,721	37	1,404,115	44.6
Refinancing	3,092	42	1,395,892	44.3
Home Improvement	1,177	16	200,265	6.4
Multifamily Housing	27	0.4	88,394	2.8
Loan Purpose Not Applicable	8	0.1	2,156	0.1
Other Purpose Closed-End	19	0.3	1,547	0
Other Purpose LOC	319	4.3	56,293	1.8
Total HMDA related	7,363	56.8	3,148,662	73.6
Small Business	5,589	43.2	1,131,022	23.4
TOTAL LOANS	12,952	100	4,279,684	100

* This table includes affiliate loans only if originated or purchased within the bank's assessment areas.

As indicated in the preceding table, residential mortgage lending is the bank's primary lending product with 73.6% of the lending activity by dollar volume during the evaluation period. Home purchase and refinance transactions represent the largest proportion of residential mortgage products, accounting for 44.6% and 44.3% by dollar volume, respectively. As previously noted, the bank participated in the Paycheck Protection Program, which was designed to help businesses keep their workforce employed during the coronavirus pandemic. During 2021, SSB originated 2,931 PPP loans totaling \$336.8 million within its assessment area.

Information about the bank's loan-to-deposit ratio, changes in loans and deposits, and its market share rankings can also provide additional context regarding the bank's lending activity and its capacity. As of March 31, 2024, SSB's loan-to-deposit ratio equaled 92.6% and averaged 98.9% during the 10-quarter period ending during the same time-period. Since December 31, 2021, the bank's assets, loans, and deposits have increased by 10.3%, 13.8%, and 6.3%, respectively.

Assessment Area Concentration:

Loan data includes all bank originations and purchases of HMDA and small business lending from January 1, 2021, through December 31, 2022. The data does not include large commercial loans (loan amounts in excess of \$1 million) or any other loan type not specified.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	2,721	84.4	1,404,115	85.9	503	15.6	231,055	14.1
Home Improvement	1,177	94.9	200,265	95.3	63	5.1	9,980	4.7
Refinancing	3,092	90.5	1,395,892	92.6	325	9.5	111,048	7.4
Multi-Family Housing	27	61.4	88,394	38.5	17	38.6	141,434	61.5
Loan Purpose Not Applicable	8	100.0	2,156	100.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	19	86.4	1,547	85.1	3	13.6	270	14.9
Other Purpose LOC	319	95.2	56,293	94.5	16	4.8	3,254	5.5
Total HMDA related	7,363	88.8	3,150,818	86.4	927	11.2	497,041	13.6
Small Business	5,589	94.5	1,131,022	92.5	328	5.5	91,838	7.5
TOTAL LOANS	12,952	91.2	4,281,840	87.9	1,255	8.8	588,879	12.1

As illustrated in the preceding table, a substantial majority of the number (87.9%) and dollar amount (91.2%) of HMDA and CRA loans were made in the bank's assessment area. Overall, the institution's level of lending within the assessment area is considered highly responsive to community credit needs.

Geographic Distribution:

The geographic distribution within this assessment area is considered good for residential mortgage and small business lending. Within this assessment area, residential mortgage lending carries the most weight, as it accounts for \$3.1 billion, compared to small business lending which accounts for \$1.1 billion. Overall, the bank's performance is considered good when considering the relative performance levels and dollar volumes of each product.

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Washington-Baltimore-Arlington, VA-DC-MD													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	154	9.6	4.9	43,610	5.6	3.4	96	8.6	4.8	26,061	4.1	3.0	4.2
Moderate	313	19.4	17.7	88,098	11.4	12.4	203	18.3	18.5	62,734	9.9	12.9	18.1
Middle	514	31.9	37.1	212,656	27.5	32.6	356	32.0	37.8	147,014	23.3	33.1	36.2
Upper	622	38.6	40.1	424,234	54.9	51.3	450	40.5	38.5	388,782	61.6	50.7	41.2
Unknown	7	0.4	0.2	4,015	0.5	0.2	6	0.5	0.4	6,911	1.1	0.3	0.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1,610	100.0	100.0	772,613	100.0	100.0	1,111	100.0	100.0	631,502	100.0	100.0	100.0
Refinance Loans													
Low	76	3.1	3.1	24,864	2.3	2.4	18	2.7	4.8	4,417	1.4	3.1	4.2
Moderate	289	11.9	13.5	86,472	8.1	9.6	62	9.4	18.4	18,493	5.7	12.6	18.1
Middle	676	27.8	34.8	231,932	21.7	29.7	160	24.3	36.9	56,739	17.4	31.8	36.2
Upper	1,388	57.0	48.5	724,539	67.7	58.1	415	63.1	39.6	245,969	75.3	52.3	41.2
Unknown	5	0.2	0.1	1,644	0.2	0.2	3	0.5	0.3	823	0.3	0.2	0.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2,434	100.0	100.0	1,069,451	100.0	100.0	658	100.0	100.0	326,441	100.0	100.0	100.0
Home Improvement Loans													
Low	17	2.0	2.4	1,575	1.6	2.2	15	2.4	2.1	1,940	1.9	1.6	4.2
Moderate	36	6.5	9.1	4,979	5.2	6.9	50	8.0	11.2	5,021	4.8	7.8	18.1
Middle	162	29.2	29.0	21,669	22.5	23.8	182	29.2	31.5	22,917	22.0	25.1	36.2
Upper	342	61.7	59.3	67,230	69.9	66.9	374	60.0	55.0	74,084	71.2	65.3	41.2
Unknown	3	0.5	0.2	770	0.8	0.3	2	0.3	0.2	80	0.1	0.1	0.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	554	100.0	100.0	96,223	100.0	100.0	623	100.0	100.0	104,042	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	5	35.7	25.4	14,912	22.0	8.4	1	7.7	24.6	743	3.6	17.7	14.2
Moderate	3	21.4	24.0	2,951	4.4	21.8	6	46.2	28.1	12,072	58.4	24.0	27.4
Middle	3	21.4	26.9	4,790	7.1	38.9	3	23.1	20.0	1,843	8.9	29.6	31.9
Upper	3	21.4	21.7	45,077	66.6	30.2	3	23.1	26.4	6,006	29.1	27.6	25.1
Unknown	0	0.0	2.0	0	0.0	0.9	0	0.0	0.9	0	0.0	1.1	1.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	14	100.0	100.0	67,730	100.0	100.0	13	100.0	100.0	20,664	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	249	5.2	3.8	85,061	4.2	3.0	135	5.2	4.5	33,861	3.0	4.0	4.2
Moderate	663	13.9	14.9	185,465	9.1	11.1	330	12.8	17.7	99,240	8.9	13.4	18.1
Middle	1,399	29.3	35.4	476,488	23.4	31.1	768	29.8	36.9	236,048	21.2	32.2	36.2
Upper	2,456	51.4	45.8	1,284,234	63.0	54.6	1,337	51.8	40.5	734,022	66.1	50.1	41.2
Unknown	15	0.3	0.2	6,429	0.3	0.2	11	0.4	0.3	7,814	0.7	0.3	0.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	4,782	100.0	100.0	2,037,677	100.0	100.0	2,581	100.0	100.0	1,110,985	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase loans. Home improvement and multifamily lending was given less weight due to the limited lending within the multistate area. Considering both demographic and aggregate proxies for demand, the bank's proportion of home refinance loans in low- and moderate-income census tracts during 2021 approximated the aggregate level of lending in those tracts and is considered good, while its performance in 2022 lagged the aggregate level and is considered poor. On a combined basis, the bank's proportion of refinance transactions in low- and moderate-income census tracts during 2021 and 2022 is considered adequate.

The bank's proportion of home purchase loans in low- and moderate-income census tracts during 2021 and 2022 exceeded the aggregate level of lending in those tracts and is considered excellent for both years and overall.

The bank's proportion of home improvement loans in low- and moderate-income census tracts during 2021 and 2022 approximated the aggregate level of lending in those tracts and is considered adequate overall.

As reflected in the preceding table, SSB's overall percentage of 2021 HMDA lending in low-income census tracts (5.2%) exceeded both the aggregate lending level (3.8%) and percentage of owner-occupied housing units located in such tracts (4.2%). The bank's level of lending in moderate-income census tracts (13.9%) was comparable to the aggregate lending level (14.9%) in such tracts and lagged the percentage of owner-occupied housing units located in such tracts (18.1%). Overall, the bank's 2021 performance is considered good.

The bank's overall percentage of 2022 HMDA lending in low-income census tracts (5.2%) exceeded both the aggregate lending level (4.5%) and percentage of owner-occupied housing units located in such tracts (4.2%). The bank's level of lending in moderate-income census tracts (12.8%) was lower than both the aggregate lending level (17.7%) and percentage of owner-occupied housing units located in such tracts (18.1%). Overall, the bank's 2022 performance is considered adequate.

Based on the relative performance levels each year, on a combined basis, the geographic distribution performance of HMDA lending is considered good.

Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography													
Assessment Area: Washington-Baltimore-Arlington, VA-DC-MD													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	198	4.8	5.0	35,290	4.8	4.7	96	6.6	4.6	22,560	5.6	4.8	5.0
Moderate	680	16.4	17.6	138,870	19.1	17.1	215	14.8	18.0	61,992	15.4	16.6	18.7
Middle	1,543	37.3	35.2	277,125	38.0	35.6	550	37.9	35.7	160,251	39.8	36.2	34.2
Upper	1,706	41.2	41.5	273,598	37.6	41.9	570	39.3	41.0	153,429	38.1	41.4	41.2
Unknown	12	0.3	0.4	3,565	0.5	0.6	19	1.3	0.6	4,342	1.1	0.8	0.9
Tract-Unk	0	0.0	0.2	0	0.0	0.1	0	0.0	0.2	0	0.0	0.1	
Total	4,139	100.0	100.0	728,448	100.0	100.0	1,450	100.0	100.0	402,574	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2022 Dun & Bradstreet Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

The bank's percentage of 2021 small business lending in low-income census tracts (4.8%) approximated the aggregate reporters' lending level (5%) and the percentage of businesses located in such tracts (5%). The bank's percentage of small business lending in moderate-income census tracts (16.4%) was slightly lower than the aggregate lending level (17.6%) and the percentage of businesses located in such tracts (18.7%). Overall, the bank's small business lending performance during 2021 is considered good, and its 2022 performance is similar.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's borrower distribution is considered good for residential mortgage and adequate for small business lending within the multistate area. Within the area, residential mortgage lending carries the most weight, as it accounts for \$3.1 billion, compared to small business lending which accounts for \$1.1 billion. Overall, the bank's performance is considered good when considering the relative performance levels and dollar volumes of each product.

Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Washington-Baltimore-Arlington, VA-DC-MD													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%%	%%	#	##	##	\$(000)	%%	%%	
Home Purchase Loans													
Low	175	10.9	7.9	36,216	4.7	4.0	117	10.5	7.9	23,683	3.8	3.7	21.7
Moderate	395	24.5	20.8	109,812	14.2	14.9	262	23.6	21.0	73,824	11.7	14.6	16.7
Middle	325	20.2	20.5	140,962	18.2	19.3	187	16.8	21.0	79,165	12.5	19.3	20.3
Upper	598	37.1	30.8	426,597	55.2	42.6	468	42.1	31.3	401,525	63.6	44.6	41.3
Unknown	117	7.3	20.0	59,026	7.6	19.2	77	6.9	18.8	53,305	8.4	17.8	0.0
Total	1,610	100.0	100.0	772,613	100.0	100.0	1,111	100.0	100.0	631,502	100.0	100.0	100.0
Refinance Loans													
Low	134	5.5	6.4	26,224	2.5	3.5	60	9.1	13.0	10,702	3.3	7.4	21.7
Moderate	363	14.9	15.4	98,218	9.2	11.0	87	13.2	21.0	20,922	6.4	15.8	16.7
Middle	482	19.8	20.4	165,115	15.4	18.1	94	14.3	21.9	30,200	9.3	20.4	20.3
Upper	1,328	54.6	34.3	730,498	68.3	42.7	394	59.9	28.9	254,049	77.8	40.3	41.3
Unknown	127	5.2	23.5	49,396	4.6	24.7	23	3.5	15.3	10,568	3.2	16.1	0.0
Total	2,434	100.0	100.0	1,069,451	100.0	100.0	658	100.0	100.0	326,441	100.0	100.0	100.0
Home Improvement Loans													
Low	25	4.5	4.6	2,399	2.5	2.8	40	6.4	6.1	3,037	2.9	3.7	21.7
Moderate	55	9.9	11.9	6,338	6.6	8.5	90	14.4	15.5	8,685	8.3	10.4	16.7
Middle	112	20.2	22.4	16,279	16.9	18.1	135	21.7	25.6	17,059	16.4	20.5	20.3
Upper	353	63.7	58.4	68,609	71.3	66.2	348	55.9	50.3	74,271	71.4	62.2	41.3
Unknown	9	1.6	2.7	2,598	2.7	4.4	10	1.6	2.4	990	1.0	3.2	0.0
Total	554	100.0	100.0	96,223	100.0	100.0	623	100.0	100.0	104,042	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	348	7.3	6.8	65,889	3.3	3.7	227	8.8	9.1	37,883	3.5	4.6	21.7
Moderate	827	17.3	17.0	215,750	11.0	12.4	467	18.2	20.2	105,744	9.7	14.6	16.7
Middle	941	19.7	20.4	324,607	16.5	18.4	453	17.6	21.7	131,922	12.1	19.5	20.3
Upper	2,391	50.1	33.8	1,251,081	63.5	42.9	1,305	50.8	32.6	748,764	68.7	44.2	41.3
Unknown	261	5.5	22.0	112,620	5.7	22.5	116	4.5	16.5	66,008	6.1	17.1	0.0
Total	4,768	100.0	100.0	1,969,947	100.0	100.0	2,568	100.0	100.0	1,090,321	100.0	100.0	100.0
Source: 2022 FFIEC Census Data													
2016-2020 U.S. Census Bureau; American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

During 2021, refinance loans were the leading HMDA product by number, followed by home purchase loans. Home improvement lending was given less weight due to the limited lending within the multistate area. Considering both demographic and aggregate proxies for demand, the bank's proportion of home refinance loans to low- and moderate-income borrowers during 2021 approximated the aggregate level of lending to such borrowers and is considered good, while its performance in 2022 was slightly lower than the aggregate level and is considered adequate. On a combined basis, the bank's proportion of refinance transactions to low- and moderate-income borrowers during 2021 and 2022 is considered adequate.

The bank's proportion of home purchase and home improvement loans to low- and moderate-income borrowers during 2021 and 2022 approximated the aggregate level of lending to those borrowers and are considered good for each product during 2021 and 2022 and overall.

While the bank's overall 2021 lending to low-income borrowers (7.3%) was lower than the percentage of low-income families (21.7%) in the area, it exceeded the aggregate lending level (6.8%). The bank's level of lending to moderate-income borrowers (17.3%) approximated both the aggregate lending level (17%) and the percentage of moderate-income families (16.7%). Overall, the bank's 2021 performance is considered good, and its 2022 performance is similar.

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Washington-Baltimore-Arlington, VA-DC-MD													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
By Revenue													
\$1 Million or Less	2,283	55.2	47.1	311,425	42.8	28.1	455	31.4	51.9	133,877	33.3	33.6	91.5
Over \$1 Million	1,280	30.9		374,632	51.4		995	68.6		268,697	66.7		7.6
Revenue Unknown	576	13.9		42,391	5.8		0	0.0		0	0.0		0.9
Total	4,139	100.0		728,448	100.0		1,450	100.0		402,574	100.0		100.0
By Loan Size													
\$100,000 or Less	2,347	56.7	92.4	90,673	12.4	37.6	612	42.2	95.6	31,190	7.7	46.5	
\$100,001 - \$250,000	835	20.2	4.3	137,838	18.9	18.1	279	19.2	2.3	52,100	12.9	13.4	
\$250,001 - \$1 Million	957	23.1	3.3	499,937	68.6	44.4	559	38.6	2.1	319,284	79.3	40.2	
Total	4,139	100.0	100.0	728,448	100.0	100.0	1,450	100.0	100.0	402,574	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	1,476	64.7		57,720	18.5		173	38.0		7,514	5.6		
\$100,001 - \$250,000	443	19.4		70,954	22.8		87	19.1		16,129	12.0		
\$250,001 - \$1 Million	364	15.9		182,751	58.7		195	42.9		110,234	82.3		
Total	2,283	100.0		311,425	100.0		455	100.0		133,877	100.0		
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.													

Overall, the bank's distribution of small business loans by borrower revenue is considered adequate during 2021. D&B data from 2021 indicates that 91.5% of all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans considered in the evaluation during 2021, 55.2% were to businesses with revenues of \$1 million or less. The percentage of the bank's small business loans extended to businesses with revenues of \$1 million or less was impacted by a volume of loans for which borrower revenue was unknown (13.9% of all loans). As previously noted, the bank

was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, a majority (64.1%) of the bank's small business loans were to businesses with annual revenues of \$1 million or less.

Aggregate small business data was also considered as an element of performance context in evaluating the bank's distribution by business revenue. During 2021, 47.1% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loan, which limits its impact as a proxy when evaluating the bank's performance.

Because small dollar loans can demonstrate a willingness to provide credit to small businesses, the bank's distribution by loan size was also considered. Overall, the bank originated 56.7% of its small business loans in amounts of \$100,000 or less, which lagged the aggregate level of such lending (92.4%). Within the assessment area, the aggregate lenders reported an unusually large percentage of small business loans in amounts of \$100,000 or less. From a performance context perspective, this is likely a result of several of the largest reporters originating large volumes of small business loans in the form of credit cards and other micro-loan programs that increase the overall percentage of loans of \$100,000 or less. While SSB is a commercial lender that originates small business loans, it does not directly originate business credit cards. The difference between SSB's business model and product offering and many of the largest small business loan reporters in the assessment area accounts for some of the disparity between the percentage of its small business loans and the aggregate lender's percentage of loans in amounts of \$100,000 or less.

As an element of performance context, the bank's PPP small business loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

Distribution of 2021 PPP Small Business Loans with No Revenue By Loan Size Assessment Area: Washington-Baltimore-Arlington, VA-DC-MD				
	Bank			
	#	%	\$(000)	%
By Loan Size				
\$100,000 or Less	462	80.3	11,324	26.7
\$100,001 - \$250,000	70	12.2	10,519	24.8
\$250,001 - \$1 Million	43	7.5	20,535	48.5
Total	575	100.0	42,378	100.0
Note: Percentages may not total 100.0 percent due to rounding.				

Within the assessment area, a large majority (80.3%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses within the area. The bank's distribution of small business loans by borrower revenue is considered adequate during 2021 and is substantially similar during 2022.

Community Development Lending:

Opportunities for community development lending are readily available within the multistate area. When considering the bank's capacity, market position, and business strategy, the bank faces no constraints in extending community development loans within the assessment area. During the evaluation period, SSB originated 31 qualified community development loans totaling \$80.2 million that directly benefit the multistate area. In addition to the loans that directly benefit this area, the bank originated one community development loan totaling \$1.8 million that provided community services to low- and moderate-income individuals throughout the entire State of Maryland, including the Maryland portion of the multistate area. Within the multistate area, SSB made a relatively high level of community development loans during the evaluation period. The breakdown of community development loans that specifically benefited the multistate area is detailed in the following table.

Community Development Definition	#	\$
Affordable Housing	23	\$70.8 million
Community Service to Low-/Moderate-Income People	6	\$4.2 million
Economic Development	2	\$5.3 million
Total	31	\$80.2 million

Product Innovation

Overall, SSB makes use of innovative and/or flexible lending practice in serving the credit needs of its assessment areas. During the review period, the following mortgage programs designed to facilitate affordable housing were originated throughout the multistate area and were considered within the overall lending rating.

Mortgage Program	#	\$
Citibank HomeRun Mortgage	1	\$333,000
DC Down Payment Assistance Program (DPAL)	1	\$8,375
DC Home Purchase Assistance Program	10	\$1,194,989
DC Open Doors	2	\$490,924
Department of Agriculture Rural Housing Program	2	\$590,000
Department of Veterans Affairs Home Loans	119	\$60,900,959
Fannie Mae HomeReady	141	\$42,933,828
Federal Home Loan Bank Down Payment Assistance Program	115	\$1,237,500
Federal Housing Administration Mortgage Program	295	\$97,034,178
Freddie Mac Home One	2	\$613,777
Freddie Mac Home Possible	123	\$34,418,624
Housing Opportunities Commission of Montgomery County Mortgage Purchase Program	10	\$3,292,114
JP Morgan Chase Community Lending Program	42	\$12,720,262
Maryland Mortgage Program	153	\$40,684,731
Maryland Mortgage Program 3% Assistance	34	\$284,937
Maryland Mortgage Program 4% Assistance	17	\$227,091
Maryland Mortgage Program 5% Assistance	29	\$430,315
Maryland Mortgage Program 6% Assistance	2	\$29,352
Maryland Mortgage Program Grant	1	\$6,000
Maryland Mortgage Program Montgomery Homeownership	2	\$50,000
Maryland Mortgage Program SmartBuy	3	\$86,000
Maryland Baltimore City Community Development Block Grant	55	\$453,782
Maryland Baltimore County Settlement Expense Loan Program	3	\$30,000
Maryland Down Payment Settlement Expense Program	35	\$472,709
Maryland Frederick County Homebuyer Assistance Program	3	\$30,000
Maryland House Keys 4 Employees (HK4E)	2	\$5,000
Maryland Montgomery County 3% Assistance	4	\$62,965
Maryland Montgomery County Revolving Closing Cost Assistance Program (RCCAP)	3	\$60,000
Maryland Neighborhood Housing Services Project Reinvest	23	\$190,500
Maryland Smart Keys 4 Employees (SK4E)	1	\$1,000
Sandy Spring Bank Close-the-Gap Plus	90	\$743,273
Sandy Spring Bank Welcome Home	42	\$12,464,790
Virginia Housing Development Agency	24	\$7,757,706
Total	1,389	\$319.8 million

During the review period, the following small business loan programs designed to facilitate economic development were originated throughout the multistate area and were considered within the overall lending rating.

Small Business Loan Program	#	\$
Small Business Association 7(a) Program	18	\$14,388,300
Small Business Association Express Program	6	\$2,450,000
Total	24	\$16.8 million

INVESTMENT TEST

Overall, SSB has a significant level of qualified community development investments that benefit the multistate area, making rare use of innovative and/or complex investments to support community development initiatives. These investments demonstrate good responsiveness to the affordable housing needs within the multistate area.

Qualified community development investments include the following:

- Four pools of mortgage-backed loans totaling approximately \$7.9 million issued by Federal Home Loan Mortgage Corporation (FHLMC). The mortgage loans were made to low- and moderate-income borrowers or areas within the bank's assessment area.
- Nine pools of mortgage-backed securities issued by Fannie Mae (FNMA) totaling approximately \$23.2 million. The mortgage loans were made to low- and moderate-income borrowers within the bank's assessment area.
- Three pools of mortgage-backed loans issued by Ginnie Mae (GNMA) totaling approximately \$1.1 million. The mortgage loans were made to low- and moderate-income borrowers within the bank's assessment area.
- Four housing bonds issued by the Virginia Housing Development Authority (VHDA) totaling approximately \$2.1 million. These bonds benefit the statewide area, including the Virginia portion of the multistate assessment area. The VHDA promotes affordable housing by financing single and multifamily mortgages for low- and moderate-income individuals throughout the Commonwealth of Virginia.
- Two municipal bonds issued through Montgomery County, Maryland totaling approximately \$4.1 million. A majority of the money invested through these taxable limited obligation bonds finance affordable housing projects within Montgomery County, Maryland.

In addition to the qualified investments, the bank contributed \$366,691 in qualified donations to a variety of local organizations providing services for affordable housing and low- and moderate-income residents within the multistate area. In addition to the qualified donations that specifically benefit the multistate area, the bank made donations totaling \$41,000 that benefit the entire State of Maryland, including the Maryland portion of the multistate area, as well as \$1,500 to an organization that provides community development benefits nationally, including the multistate area. The breakdown of community development donations directly benefitting the multistate area is detailed in the following table:

Community Development Definition	#	\$
Affordable Housing	15	\$93,050
Community Service to Low-/Moderate-Income People	46	\$173,625
Financial Literacy	6	\$100,016
Total	67	\$366,691

SERVICE TEST

Within the multistate area, SSB's performance under the Service Test is low satisfactory. Systems for delivering retail banking services are reasonably accessible to all portions of the multistate area, including low- and moderate-income individuals or areas within the multistate area. Additionally, the bank has provided an adequate level of qualified services to community development organizations. The bank closed two branch offices within the multistate area since the previous evaluation; both locations were in upper-income census tracts and did not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or individuals. For additional details about the branch closures, refer to *Appendix B*.

Retail Services:

Delivery systems are reasonably accessible to all portions of the multistate area. ATMs are available and through a network, provide customers with 24-hour nationwide access. Bank-by-mail, online banking, and mobile banking services are also offered by the institution. In addition, SSB provides customers with 24-hour telephone access to their accounts through an automated system. Additionally, the bank's business and services offered do not vary in a way that inconveniences low- or moderate-income geographies or individuals within the area.

SSB operates 54 full-service branch offices in the multistate area, of which, one (1.8%) is located in a low-income census tract and 11 (20.4%) are located in moderate-income census tracts. The geographic distribution of branches is adequate when considering that 8.7% and 22.3% of the multistate area's households reside in low- and moderate-income census tracts, respectively. Branch locations are considered convenient and do not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income geographies. During the review period, SSB closed two full-service branches; both locations were in upper-income census tracts and did not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or individuals.

Community Development Services:

The bank provides an adequate level of community development services in the multistate area. Nineteen bank employees volunteered their time and utilized their financial expertise by serving on the board or committee of 16 organizations that provide economic development, affordable housing, or community services to low- and moderate-income individuals throughout the multistate area. Additionally, two employees volunteered their time and expertise by serving on the board of one organization that provides economic development and another that provides community services to low- and moderate-income individuals for the entire State of Maryland, including the Maryland portion of the multistate area. The activities directly benefitting the multistate area include, but are not limited to the following:

- The Frederick Rescue Mission: An employee serves as a board member for this organization that provides nourishing meals, clothing, and essential toiletries to individuals experiencing homelessness.
- Loudoun County Habitat for Humanity: An employee serves as a board member for this organization that develops affordable housing for low- and moderate-income individuals and families.
- Mount Airy Net: An employee serves as a board member for this organization that pays medical expenses, rent assistance, utility expenses, and provides food for people and families on the verge of homelessness.
- Nourish Now: An employee serves as a board member for this organization that provides food and nourishment to low- and moderate-income individuals and homeless.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB). In general, the Dodd-Frank Act gives the CFPB, among other things, primary examination and enforcement authority over insured depository institutions with total assets of more than \$10 billion when assessing compliance with the requirements of Federal consumer financial laws, including SSB. The Federal Reserve, however, retains authority to enforce compliance with the bank's CRA and certain other consumer compliance laws and regulations. During the review period of this evaluation from October 12, 2021, through May 20, 2024, the Federal Reserve did not cite violations involving discriminatory or other illegal credit practices that adversely affected the Federal Reserve's evaluation of the bank's CRA performance.

CRA APPENDIX A

2021 Demographic Tables for the Washington-Baltimore-Arlington, VA-DC-MD Multistate Area

2021 Washington-Baltimore-Arlington, VA-DC-MD AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	211	11.7	155,420	8.6	36,851	23.7	400,686	22.2
Moderate	398	22.0	368,147	20.4	35,922	9.8	298,759	16.5
Middle	576	31.9	600,976	33.3	28,404	4.7	356,568	19.7
Upper	592	32.8	678,372	37.5	14,410	2.1	750,736	41.6
Unknown	28	1.6	3,834	0.2	909	23.7	0	0.0
Total AA	1,805	100.0	1,806,749	100.0	116,496	6.4	1,806,749	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	318,486	78,645	4.5	24.7	189,015	59.3	50,826	16.0
Moderate	658,729	300,124	17.1	45.6	301,673	45.8	56,932	8.6
Middle	1,002,886	623,424	35.6	62.2	318,315	31.7	61,147	6.1
Upper	1,031,619	748,850	42.7	72.6	227,547	22.1	55,222	5.4
Unknown	12,461	2,237	0.1	18.0	8,652	69.4	1,572	12.6
Total AA	3,024,181	1,753,280	100.0	58.0	1,045,202	34.6	225,699	7.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	22,355	5.3	20,750	5.3	1,449	4.4	156	4.6
Moderate	74,809	17.6	68,392	17.6	5,897	18.1	520	15.2
Middle	144,294	34.0	131,618	33.9	11,609	35.6	1,067	31.2
Upper	179,868	42.4	165,019	42.5	13,360	40.9	1,489	43.6
Unknown	2,669	0.6	2,163	0.6	320	1.0	186	5.4
Total AA	423,995	100.0	387,942	100.0	32,635	100.0	3,418	100.0
Percentage of Total Businesses:				91.5		7.7		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	58	2.2	58	2.2	0	0.0	0	0.0
Moderate	278	10.5	271	10.5	7	12.7	0	0.0
Middle	1,011	38.3	986	38.2	25	45.5	0	0.0
Upper	1,292	48.9	1,265	49.0	23	41.8	4	100.0
Unknown	3	0.1	3	0.1	0	0.0	0	0.0
Total AA	2,642	100.0	2,583	100.0	55	100.0	4	100.0
Percentage of Total Farms:				97.8		2.1		0.2
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding								

CRA APPENDIX B

Branch Closures

The following table presents the branch closures for the bank since the previous CRA performance evaluation.

Branch Closed Since October 12, 2021						
Date	Branch Name	Address	City	State	Zip Code	2020 Income Level
12/1/2023	Lansdowne	19460 Golf Vista Plaza	Loudoun	Virginia	20176	Upper
12/15/2023	Penn Quarter	1299 Pennsylvania Avenue NW	Washington, D.C.	District of Columbia	20004	Upper

CRA APPENDIX C

Assessment Area Composition

Multistate Combined Statistical Area		
Washington-Baltimore-Arlington, VA-DC-MD		
MSA/MD	County/City, State	Tracts
Baltimore-Columbia-Towson, MD MSA	Baltimore City, MD	All
	Baltimore County, MD	All
	Carroll County, MD	All
	Howard County, MD	All
Frederick-Gaithersburg-Rockville, MD Metropolitan Division	Frederick County, MD	All
	Montgomery County, MD	All
Washington-Arlington-Alexandria, DC-VA- MD-WV	Alexandria City, VA	All
	Arlington County, VA	All
	District of Columbia	All
	Fairfax City, VA	All
	Fairfax County, VA	All
	Falls Church City, VA	All
	Loudoun County, VA	All
	Manassas City, VA	All
	Manassas Park City, VA	All
	Prince George's County, MD	All
	Prince William County, VA	All

CRA APPENDIX D

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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