



PUBLIC DISCLOSURE

July 28, 2025

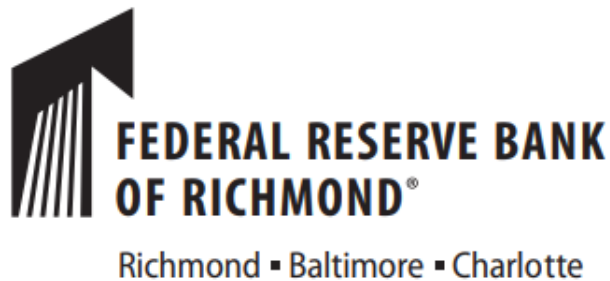
COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

MainStreet Bank

Fairfax, Virginia

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

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



PUBLIC DISCLOSURE

July 28, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

MainStreet Bank
3248849

10089 Fairfax Boulevard
Fairfax, VA 22030

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

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

TABLE OF CONTENTS

	Page
Institution Rating	
Institution's CRA Rating	1
Summary of Major Factors Supporting Rating.....	1
Institution	
Description of Institution	2
Scope of Examination	2
Description of Washington-Arlington-Alexandria, DC-VA Assessment Area.....	4
Conclusions with Respect to Performance Tests	8
Appendices	
CRA Appendix A: Scope of Examination	20
CRA Appendix B: Demographic Tables	21
CRA Appendix C: Glossary.....	23

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

This institution is rated: **SATISFACTORY**

The following table indicates the performance level of MainStreet Bank with respect to the lending, investment, and service tests.

Performance Levels	Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			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.			

The major factors supporting this rating include:

Lending Test

- Lending levels reflect good responsiveness to assessment area credit needs.
- The bank makes use of innovative and/or flexible lending practices in serving assessment area credit needs.
- A substantial majority of the bank's loans are originated within its delineated assessment area.
- The bank's distribution of loans by income level of geography (geographic distribution) is adequate.
- The bank's distribution of loans among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes (borrower distribution) is adequate.
- The bank makes a relatively high level of community development (CD) loans.

Investment Test

- The bank makes an excellent level of qualified CD investments and grants and is occasionally in a leadership position.
- The bank makes occasional use of innovative and/or complex investments to support CD initiatives and exhibits excellent responsiveness to credit and CD needs.

Service Test

- The bank's delivery systems are readily accessible to geographies and/or individuals of different income levels in its assessment area overall.
- During the evaluation period, the bank did not open or close any branch offices.
- Products, services, and business hours do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and/or individuals.
- The bank provides an adequate level of CD services.

DESCRIPTION OF INSTITUTION

MainStreet Bank (MSB) is headquartered in Fairfax, Virginia, and operates six branch offices and five stand-alone ATMs throughout northern Virginia and Washington, D.C. The bank is wholly-owned by MainStreet Bancshares, Inc., a single bank holding company also headquartered in Fairfax, Virginia. The bank's previous CRA rating, dated August 22, 2022, was outstanding. There have been no branch changes since the previous evaluation. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment area.

As of March 31, 2025, MSB held \$2.2 billion in assets, of which 81.7% were net loans and 3.1% were securities. As of the same date, deposits totaled \$1.9 billion. Various deposit and loan products are available through the institution, including loans for residential mortgage, consumer, and small business purposes.

Composition of Loan Portfolio

Loan Type	3/31/2025	
	\$(000s)	%
Secured by 1-4 Family dwellings	204,097	11.1
Multifamily	246,406	13.4
Construction and Development	344,742	18.8
Commercial & Industrial/ NonFarm NonResidential	1,019,438	55.5
Consumer Loans and Credit Cards	1,332	0.1
Agricultural Loans/ Farmland	225	0.0
All Other	19,760	1.1
Total	1,836,000	100.0

As indicated in the preceding table, the bank's loan portfolio is concentrated in commercial purpose, construction and development, and residential real estate secured loans. The bank offers other loans, such as consumer and agricultural loans; however, the volume of such lending is relatively small in comparison to its commercial, development, and residential mortgage lending.

SCOPE OF EXAMINATION

MSB was evaluated using the interagency examination procedures for large institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Given its size and branch locations, MSB is required to collect and report Home Mortgage Disclosure Act (HMDA) and Community Reinvestment Act (CRA) data.

Examiners reviewed the following data when assessing the bank's performance.

- HMDA (residential mortgage) loan data reported by the bank for calendar years 2023 and 2024,
- CRA (small business/farm) loan data reported by the bank for calendar years 2022 and 2023,
- Community development loans originated from August 22, 2022 through July 27, 2025 (i.e. evaluation period),
- All qualified investments made during the evaluation period, along with existing qualified investments outstanding as of the date of the evaluation regardless of when made, and
- Community development services provided by the bank during the evaluation period.

While the bank has reported its 2024 CRA data, that data is not included in this analysis because the 2024 aggregate data is not yet available. Aggregate data is an important performance context factor since it captures lending done under the same economic market conditions within the bank's assessment area.

During 2022 and 2023, the bank reported one small farm loan totaling \$487,000. During the same period, the bank originated 124 small business loans totaling \$54 million, and during 2023 and 2024 the bank reported 163 HMDA loans totaling \$275.1 million. Given its comparatively low volume, the geographic and borrower distribution performance of the bank's small farm loans was not evaluated, as it would not affect the bank's overall performance.

MSB serves one multistate assessment area within the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA), and it was evaluated using the FFIEC's full-scope evaluation procedures.

To help determine the availability of community development opportunities in the bank's assessment area, the CRA public evaluations of other financial institutions operating in the assessment area were reviewed. Additionally, a community official was contacted to learn about local economic conditions and credit needs, performance of the banks in the assessment areas, and potential community development opportunities.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA MULTISTATE AREA

MSB operates six branch offices and five stand-alone ATMs throughout the Washington-Arlington-Alexandria, DC-VA Multistate Area. Based on branch locations and lending patterns, the bank delineates one assessment area located in Northern Virginia and Washington, D.C.

The assessment area includes a portion of the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA. As of 2024, the MSA is divided into three metropolitan divisions (MDs). The bank's assessment area includes portions of the Washington, DC-MD and Arlington-Alexandria-Reston, VA-WV MDs. Prior to 2024, the MSA was divided into two MDs where the current Washington, DC-MD and Arlington-Alexandria-Reston, VA-WV MDs were a larger, single MD. Changes to the composition of the MSA did not affect or change the bank's delineation of its assessment area.

Assessment Area	City/County	State	Census Tracts Included
Washington-Arlington-Alexandria, DC-VA	District of Columbia	DC	All
	Arlington County	VA	
	Fairfax County	VA	
	Loudoun County	VA	
	Prince William County	VA	
	Alexandria City	VA	
	Fairfax City	VA	
	Falls Church City	VA	
	Manassas City	VA	
	Manassas Park City	VA	

Community Contact

An individual from an affordable housing organization was contacted prior to the evaluation and stated that the demand for affordable housing continues to increase while the supply of such housing is inadequate. The contact noted that many area neighborhoods have undergone revitalization efforts in recent years which has had the unintended consequence of gentrification by driving up rents and home prices which is displacing residents who can no longer afford to live within the area. While safe and affordable housing is an objective within the market, the contact stated that the high cost of development, limited availability of land, and municipal zoning restrictions are all barriers to developing more affordable housing. The official was unaware of any discriminatory practices taking place at any local financial institutions in the area.

Demographic Data

2024 Washington-Arlington-Alexandria, DC-VA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	75	9.6	58,875	8.1	12,719	21.6	149,853	20.6
Moderate	130	16.6	126,022	17.4	10,310	8.2	112,847	15.5
Middle	241	30.7	238,520	32.8	8,636	3.6	139,946	19.3
Upper	318	40.5	298,754	41.1	5,595	1.9	323,628	44.6
Unknown	21	2.7	4,103	0.6	490	11.9	0	0.0
Total AA	785	100.0	726,274	100.0	37,750	5.2	726,274	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	118,739	31,997	4.6	26.9	76,550	64.5	10,192	8.6
Moderate	223,963	101,630	14.5	45.4	108,231	48.3	14,102	6.3
Middle	394,507	236,077	33.6	59.8	139,303	35.3	19,127	4.8
Upper	498,857	330,742	47.1	66.3	141,114	28.3	27,001	5.4
Unknown	11,361	2,392	0.3	21.1	7,585	66.8	1,384	12.2
Total AA	1,247,427	702,838	100.0	56.3	472,783	37.9	71,806	5.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	9,875	5.5	9,334	5.7	465	3.2	76	4.6
Moderate	26,112	14.4	24,074	14.6	1,846	12.7	192	11.7
Middle	59,411	32.8	53,557	32.5	5,443	37.4	411	25.1
Upper	83,246	46.0	76,014	46.1	6,471	44.4	761	46.4
Unknown	2,438	1.3	1,900	1.2	339	2.3	199	12.1
Total AA	181,082	100.0	164,879	100.0	14,564	100.0	1,639	100.0
Percentage of Total Businesses:				91.1		8.0		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	26	3.1	26	3.2	0	0.0	0	0.0
Moderate	66	7.9	64	7.8	2	13.3	0	0.0
Middle	274	32.7	268	32.6	6	40.0	0	0.0
Upper	470	56.1	462	56.2	7	46.7	1	100.0
Unknown	2	0.2	2	0.2	0	0.0	0	0.0
Total AA	838	100.0	822	100.0	15	100.0	1	100.0
Percentage of Total Farms:				98.1		1.8		0.1
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Based on 2020 ACS data, the assessment area has a total population of approximately 3.2 million. The median housing value is \$539,803, while the median gross rent is \$1,809. Within the assessment area, the owner-occupancy rate equals 56.3%, which falls in between the rate within the Arlington-Alexandria-Reston, VA-WV MD (63.8%) and the Washington, DC-MD MD (50.8%). For additional context, the owner-occupancy rate in Virginia equals 60% and equals 38.4% in Washington, D.C.

The percentage of families living below the poverty level in the assessment area (5.2%) exceeds the rate within the Arlington-Alexandria-Reston, VA-WV MD (4.1%) and is less than the rate in the Washington, DC-MD MD (7.4%). The poverty rate within Virginia equals 6.8%, while the rate within Washington, D.C. equals 11.3%.

Area median family incomes during 2022, 2023, and 2024 are detailed in the following table.

Geographic Area	2022	2023	2024
Washington-Arlington-Alexandria, DC-VA-MD-WV MD	\$139,700	\$150,100	<i>Split into two MDs listed below</i>
Arlington-Alexandria-Reston, VA-WV MD	<i>N/A</i>	<i>N/A</i>	\$164,200
Washington, DC-MD MD	<i>N/A</i>	<i>N/A</i>	\$128,300

As indicated in the table above, the median family income in the Washington, DC-MD MD lower than the median family income in the Arlington-Alexandria-Reston, VA-WV MD, which can impact the volume of viable loan demand.

Washington-Arlington-Alexandria, VA Population Change			
Area	2015 Population	2020 Population	Percent Change
Assessment Area	3,030,944	3,239,922	6.9%
Arlington County, VA	223,945	238,643	6.6%
Fairfax County, VA	1,128,722	1,150,309	1.9%
Loudoun County, VA	351,129	420,959	19.9%
Prince William County, VA	437,271	482,204	10.3%
Alexandria City, VA	149,315	159,467	6.8%
Fairfax City, VA	23,402	24,146	3.2%
Falls Church City, VA	13,308	14,658	10.1%
Manassas City, VA	40,743	42,772	5.0%
Manassas Park City, VA	15,625	17,219	10.2%
District of Columbia	647,484	689,545	6.5%
Virginia	8,256,630	8,631,393	4.5%
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

As indicated in the preceding table, population within the assessment area grew at a rate similar to the increase in Washington, D.C. but exceeding the rate in Virginia. Within the assessment area, Loudon County, Prince William County, Falls Church City, and Manassas Park City each grew at rates much larger than the overall assessment area.

Washington-Arlington-Alexandria, DC-VA Employees by Industry								
	2022 - Q3	2022 - Q4	2023 - Q1	2023 - Q2	2023 - Q3	2023 - Q4	2024 - Q1	2024 - Q2
Government								
Government Total, all industries	436,365	443,865	442,273	446,763	440,945	450,181	452,112	454,821
Private Sector								
Private Sector Total, all industries	1,581,440	1,583,602	1,571,925	1,598,848	1,607,284	1,606,036	1,583,255	1,608,430
Agriculture, forestry, fishing and hunting	215*	192*	180*	214*	230*	211*	188*	208*
Mining, quarrying, and oil and gas extraction	157*	160*	168*	170*	171*	177*	175*	177*
Utilities	4,545*	4,369*	4,567*	4,557*	4,244*	4,291*	4,704*	4,756*
Construction	80,680*	81,214*	79,774*	80,943*	81,189*	81,081*	79,869*	82,151*
Manufacturing	19,277*	19,085*	20,022*	20,488*	20,683*	20,534*	20,096*	20,327*
Wholesale trade	29,222	28,048*	28,703	29,044	27,596*	27,612*	28,421	28,336
Retail Trade	129,472	131,613	128,078*	128,309*	128,289*	131,489*	126,427*	126,667*
Transportation and warehousing	39,609*	41,070*	41,178*	41,627*	42,344*	44,741*	43,474*	44,333*
Information	58,698	58,704	57,522	57,340	56,465	56,046	55,468	55,342
Finance and insurance	54,491	53,907	51,283	50,812	51,199	50,594	50,090	50,093
Real estate and rental and leasing	32,501	32,424	32,039	32,491	32,908	32,770	32,374	32,878
Professional and technical services	394,041*	392,979*	391,216*	392,439*	393,728*	391,085*	386,032*	386,875*
Management of companies and enterprises	34,303*	34,369*	34,050*	34,355*	34,895*	34,570*	33,697*	34,176*
Administrative and waste services	128,162	128,015	124,965*	129,010*	128,550*	127,530*	123,698*	126,528*
Educational services	63,527*	67,480*	68,068*	68,264*	66,396*	69,064*	68,937*	68,889*
Health care and social assistance	187,454*	190,154*	192,309*	195,647*	198,551*	202,107*	204,794*	207,812*
Arts, entertainment, and recreation	30,872	25,046	25,019*	30,672	33,001	26,987*	26,968*	32,727*
Accommodation and food services	162,863	163,397	163,602*	172,909	173,767	172,243*	169,141*	176,480*
Other services, except public administration	120,089	119,583	119,233	120,593	121,376	121,808	120,072	120,587
Public administration	0	0	0	0	0	0	0	0
Unclassified	5,690	5,038	4,006	2,937	3,650	3,070	2,900	3,207

The bank's assessment area offers a variety of employment opportunities. In addition to local government and school boards, major employers include those within professional and technical services, healthcare, and accommodations and food services industries.

Washington-Arlington-Alexandria, VA - Annual Average Unemployment Rates					
Area	2019	2020	2021	2022	2023
Arlington County, VA	1.9%	4.6%	3.0%	2.0%	2.1%
Fairfax County, VA	2.3%	6.0%	3.5%	2.4%	2.5%
Loudoun County, VA	2.3%	5.5%	3.1%	2.3%	2.5%
Prince William County, VA	2.5%	6.7%	3.9%	2.6%	2.7%
Alexandria City, VA	2.1%	6.2%	3.7%	2.3%	2.3%
Fairfax City, VA	2.1%	6.0%	3.4%	2.4%	2.4%
Falls Church City, VA	2.1%	3.9%	2.6%	2.1%	2.3%
Manassas City, VA	2.5%	6.8%	3.9%	2.5%	2.5%
Manassas Park City, VA	2.5%	6.9%	3.8%	2.5%	2.6%
District of Columbia	5.5%	7.9%	6.8%	4.7%	4.9%
Virginia	2.8%	6.4%	3.9%	2.8%	2.9%

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

During a recent five-year period, unemployment rates throughout the assessment area continued to recover from the pandemic, and the current rates generally approximate the pre-pandemic levels.

Washington-Arlington-Alexandria, VA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	78.0%	61.1%	41.0%	70.5%	51.7%	20.0%
Arlington County, VA	81.2%	74.9%	35.0%	70.3%	51.8%	17.0%
Fairfax County, VA	83.6%	71.0%	42.4%	72.5%	54.9%	20.1%
Loudoun County, VA	83.0%	58.8%	39.5%	69.0%	46.3%	17.2%
Prince William County, VA	85.5%	59.9%	44.5%	70.5%	54.5%	21.8%
Alexandria City, VA	86.2%	58.8%	40.7%	70.5%	59.2%	18.7%
Fairfax City, VA	79.5%	74.2%	48.0%	59.8%	38.9%	19.0%
Falls Church City, VA	75.7%	79.4%	32.1%	89.6%	87.5%	24.0%
Manassas City, VA	90.6%	44.9%	50.1%	74.6%	44.4%	22.8%
Manassas Park City, VA	100.6%	56.9%	55.8%	75.0%	49.5%	26.2%
District of Columbia	70.3%	51.1%	41.4%	67.6%	44.6%	21.3%
Virginia	77.1%	47.8%	42.1%	61.2%	35.6%	18.9%

Cost Burden is housing cost that equals 30 percent or more of household income
Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy

Within the assessment area, low- and moderate-income renters face higher cost burdens than renters within the Commonwealth of Virginia and District of Columbia. Similarly, low- and moderate-income homeowners face higher cost burdens within the assessment area as compared to homeowners in the Commonwealth of Virginia and District of Columbia. The data suggests that housing is generally less affordable in the assessment area than in the Commonwealth of Virginia or District of Columbia. Within the assessment area and statewide areas, the cost burden of renters and homeowners is substantially higher for low-income individuals than for moderate-income individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank's overall Lending Test performance is rated Low Satisfactory, its overall Investment Test performance is rated Outstanding, while its overall Service Test performance is rated High Satisfactory. Ratings for the Lending, Investment, and Service tests are assigned to the bank based on performance within its assessment area. Following the FFIEC procedures, the lending test performance accounts for half of the overall rating, while the investment and service tests are equally weighted and each account for one-quarter of the overall rating. Conclusions also take into consideration relevant performance context factors.

When evaluating the bank's residential mortgage lending, relevant area demographic data from the American Community Survey (ACS) is used to estimate potential demand and lending opportunities. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. As such, when evaluating the bank's performance, relevant area demographic data from the 2020 ACS was used. Additionally, Dun and Bradstreet (D&B) business demographic data from 2022 and 2023 was also used when evaluating small business lending.

Aggregate loan data is used to estimate viable loan demand when evaluating the bank's HMDA and CRA lending. Aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA data, which includes MSB, within the bank's assessment area. Aggregate data are useful in the analysis because the aggregate lending occurred in the same assessment area under the same economic conditions as the bank's lending.

To evaluate the geographic and borrower distribution for a specific loan category within the assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated and purchased. To arrive at an overall conclusion regarding the distribution of lending, performance in each loan category is then generally weighted by the dollar volume of such loans made in the assessment area.

During 2023 and 2024, the bank reported approximately \$275.1 million in HMDA loans, and during 2022 and 2023 MSB reported \$54 million in small business loans. Given this volume of lending, the bank's HMDA lending performance is generally given more weight when assessing the bank's lending performance. However, MSB's HMDA lending is primarily to non-natural persons for business purposes. Because these loans are to businesses, the borrowers have revenue rather than income. Consequently, a large portion the bank's HMDA loans cannot be evaluated for borrower distribution performance. Given this context, the bank's borrower distribution performance for HMDA lending is given little weight when evaluating the bank's overall borrower distribution performance.

LENDING TEST

The bank's Lending Test performance is rated Low Satisfactory in the Washington-Arlington-Alexandria, DC-VA Multistate Area. Factors supporting these conclusions include:

- The volume of lending activity reflects a good level of responsiveness within the multistate area.
- Geographic distribution performance is considered adequate.
- Borrower distribution performance is considered adequate.
- Lending to low-income people, areas, and very small businesses is considered adequate.
- The bank made a relatively high level of community development loans within the multistate area during the evaluation period.

Lending Activity

The bank's volume of lending activity reflects a good level of responsiveness within the multistate area. During 2023 and 2024, the bank reported 163 HMDA loans totaling \$275.1 million. During 2022 and 2023, the bank reported 124 small business loans totaling \$54 million, and one small farm loan in the multistate area. Combined HMDA lending activity from 2023 and 2024, and small business lending activity from 2022 and 2023 are detailed in the following table.

Summary of Lending Activity

Loan Type	#	%	\$(000)	% of \$
Home Improvement	8	2.78	14,507	4.40
Home Purchase	103	35.76	140,145	42.52
Multi-Family Housing	36	12.50	99,715	30.25
Refinancing	16	5.56	20,740	6.29
Loan Purpose Not Applicable	0	0	0	0
Other Purpose Closed-End	0	0	0	0
Other Purpose LOC	0	0	0	0
Total HMDA related	163	57	275,107	83
Small Business	124	43.06	54,016	16.39
Small Farm	1	0.00	0	0.00
TOTAL LOANS	288	100	329,610	100

Since September 30, 2022, the bank's assets, net loans, and deposits have increased by 19.2%, 25.1%, and 21.7%, respectively. As of June 30, 2024, MSB ranked 18th out of 57 financial institutions in local deposit market share and held .9% of the assessment area's deposits (excluding credit union deposits) according to data compiled by the Federal Deposit Insurance Corporation.

According to aggregate HMDA loan data, the MSB ranked 98th out of 654 lenders during 2023 and 113th out of 662 lenders during 2024, having .1% of the market share during each year. According to aggregate small business loan data, MSB ranked 48th out of 214 lenders during 2022 and 49th out of 200 lenders during 2023, having less than .1% of the market share during each year. The bank's HMDA and CRA market rankings indicate that it is an active lender within its assessment area.

The bank also makes use of innovative and/or flexible lending programs to serve its assessment area credit needs. Examples of such programs include loan products that are partially guaranteed by the Small Business Administration (SBA). Loan products offered through the SBA allow MSB to offer small businesses more favorable rates and terms than they otherwise would receive without the support of the SBA. Available SBA products include the following.

- Standard 7(a) with a maximum loan amount of \$5 million,
- 7(a) Small Loan with a maximum loan amount of \$350,000,
- 504 Term Loans with a maximum loan amount of \$5 million and up to 90% financing,
- SBA Express with a maximum loan amount of \$350,000 and an accelerated underwriting program, and
- CAPLines which is an umbrella program that helps small businesses meet their short-term and cyclical working capital needs.

During the evaluation period, MSB originated 20 SBA loans totaling \$22.7 million.

Assessment Area Concentration

To determine the institution's volume of lending within its assessment area, the geographic location of the bank's 2023 and 2024 HMDA data, and 2022 and 2023 CRA data was considered. The lending distribution inside and outside of the bank's assessment area is represented in the following table. The bank originated a substantial majority of its loans, by number and dollar, inside its assessment area.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	94	91.3	134,268	95.8	9	8.7	5,877	4.2
Home Improvement	7	87.5	10,507	72.4	1	12.5	4,000	27.6
Refinancing	15	93.8	20,643	99.5	1	6.3	97	0.5
Multi-Family Housing	33	91.7	78,264	78.5	3	8.3	21,451	21.5
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
Total HMDA related	149	91.4	243,682	88.6	14	8.6	31,425	11.4
Small Business	97	78.2	42,301	78.3	27	21.8	11,715	21.7
Small Farm	1	100.0	487	100.0	0	0.0	0	0.0
TOTAL LOANS	247	85.8	286,470	86.9	41	14.2	43,140	13.1

The remaining loan distribution analyses discussed in this performance evaluation only considers loans originated and purchased within the bank's assessment area. In addition, the geographic distribution performance for HMDA loans focuses on performance for home purchase, refinancing, and multifamily loan categories, while the borrower distribution performance for HMDA loans focuses on performance for home purchase and refinancing loans. Performance for the not applicable, other closed, and other line of credit loan categories are not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

Geographic Distribution of Loans

The bank's geographic distribution performance is adequate for both HMDA and small business lending overall.

While an analysis of loan dispersion noted that the bank's lending activity is concentrated in the north-eastern portion of its assessment area (primarily in Washington, D.C. and the contiguous counties and cities), it did not impact the overall conclusion. With a few exceptions, the bank's lending activity is generally concentrated in close proximity to its branch offices.

Home Mortgage Lending

The geographic distribution performance of HMDA lending is considered adequate overall. From a loan category perspective, performance of the bank's home purchase and refinance lending is poor, while multifamily lending is excellent. In reaching the overall conclusion, performance within the home purchase and refinance categories was given the most weight because of the larger dollar volume of lending (\$154.9 million) in relation to multifamily lending (\$78.3 million) within the assessment area.

With only seven home improvement loans totaling \$10.5 million reported by the bank during 2023 and 2024, the performance of home improvement loans was not evaluated as it would not have a material impact on the bank's performance.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Washington-Arlington-Alexandria, DC-VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	%	%	#	##	##	\$(000)	%	%	
Home Purchase Loans													
Low	1	2.0	5.3	705	1.1	3.7	1	2.3	6.0	610	0.9	3.8	4.6
Moderate	4	7.8	14.0	1,733	2.7	10.2	0	0.0	14.9	0	0.0	11.5	14.5
Middle	10	19.6	31.5	7,316	11.3	27.2	5	11.6	36.1	5,923	8.5	29.8	33.6
Upper	36	70.6	48.5	54,840	84.9	58.4	37	86.0	42.5	63,141	90.6	54.5	47.1
Unknown	0	0.0	0.7	0	0.0	0.6	0	0.0	0.5	0	0.0	0.4	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	51	100.0	100.0	64,594	100.0	100.0	43	100.0	100.0	69,674	100.0	100.0	100.0
Refinance Loans													
Low	1	9.1	4.5	1,099	7.4	3.5	0	0.0	5.3	0	0.0	3.9	4.6
Moderate	0	0.0	13.1	0	0.0	9.8	0	0.0	14.9	0	0.0	11.1	14.5
Middle	4	36.4	29.1	3,058	20.5	24.5	2	50.0	34.4	2,288	39.8	30.3	33.6
Upper	6	54.5	53.0	10,736	72.1	62.0	2	50.0	45.3	3,462	60.2	54.4	47.1
Unknown	0	0.0	0.2	0	0.0	0.2	0	0.0	0.2	0	0.0	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	11	100.0	100.0	14,893	100.0	100.0	4	100.0	100.0	5,750	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	3.1	0	0.0	2.5	2	50.0	3.1	2,683	35.2	2.4	4.6
Moderate	0	0.0	9.4	0	0.0	6.1	0	0.0	11.3	0	0.0	8.1	14.5
Middle	1	33.3	27.0	1,189	41.2	21.2	0	0.0	34.7	0	0.0	28.0	33.6
Upper	2	66.7	60.3	1,697	58.8	69.9	2	50.0	50.7	4,938	64.8	61.3	47.1
Unknown	0	0.0	0.2	0	0.0	0.3	0	0.0	0.2	0	0.0	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	3	100.0	100.0	2,886	100.0	100.0	4	100.0	100.0	7,621	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	10	55.6	25.4	37,000	69.7	20.8	8	53.3	24.8	10,405	41.4	19.9	14.9
Moderate	1	5.6	14.4	3,431	6.5	9.0	1	6.7	22.9	3,435	13.7	24.3	21.7
Middle	3	16.7	19.9	6,494	12.2	23.2	0	0.0	14.4	0	0.0	23.3	29.1
Upper	4	22.2	39.2	6,181	11.6	44.1	6	40.0	37.3	11,313	45.0	32.2	32.5
Unknown	0	0.0	1.1	0	0.0	2.9	0	0.0	0.7	0	0.0	0.2	1.9
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	18	100.0	100.0	53,106	100.0	100.0	15	100.0	100.0	25,158	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	12	14.5	4.9	38,804	28.6	5.2	11	16.7	5.5	13,698	12.7	5.4	4.6
Moderate	5	6.0	13.2	5,164	3.8	9.8	1	1.5	14.5	3,435	3.2	12.6	14.5
Middle	18	21.7	30.7	18,057	13.3	26.3	7	10.6	35.8	8,211	7.6	29.1	33.6
Upper	48	57.8	50.8	73,454	54.2	57.9	47	71.2	43.9	82,859	76.6	52.5	47.1
Unknown	0	0.0	0.5	0	0.0	0.8	0	0.0	0.3	0	0.0	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	83	100.0	100.0	135,479	100.0	100.0	66	100.0	100.0	108,203	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

Home Purchase Lending

During 2023, MSB originated one (2%) home purchase loan to a borrower in a low-income census tract, which lagged both the percentage of owner-occupied housing units in low-income census tracts (4%) and the aggregate lending level in low-income census tracts (5.3%). Given the relatively low percentage of bank and aggregate lending, as well as the low percentage of owner-occupied housing units, overall opportunities and demand for home purchase loans within low-income census tracts was limited. MSB originated four (7.8%) home purchase loans to borrowers in moderate-income census tracts, which substantially lagged both the percentage of owner-occupied housing units in moderate-income census tracts (12.5%) and the aggregate lending level in moderate-income census tracts (14%). The bank's geographic distribution performance for home purchase lending during 2023 is poor.

During 2024, the bank originated one (2.3%) home purchase loan to a borrower in a low-income census tract, which lagged both the percentage of owner-occupied housing units located in low-income census tracts (4.6%) and the aggregate lending level in low-income census tracts (6%). MSB did not originate any loans to borrowers in moderate-income census tracts, while the percentage of owner-occupied housing units in moderate-income census tracts equaled 14.5% and the aggregate lending level in moderate-income census tracts equaled 14.9%, indicating that both opportunities and demand for home purchase loans in moderate-income census tracts existed. The bank's geographic distribution performance for lending during 2024 is very poor.

Overall, the bank's home purchase lending performance is poor. When considering performance by year, the bank's performance during 2023 is poor, and its performance during 2024 is very poor. In reaching the overall conclusion, the performance from each year was similarly weighted given the similar dollar volume of home purchase lending during 2023 and 2024.

Refinance Lending

During 2023, MSB originated one (9.1%) refinance loan within a low-income census tract. Despite this, the bank's lending performance exceeded both the percentage of owner-occupied housing units (4%) and the aggregate lending level (4.5%) in low-income census tracts. MSB did not originate any (0%) refinance loans in moderate-income census tract during 2023; however, the demographic and aggregate data indicate that opportunities to make such loans exist with 14.5% of owner-occupied housing units and 13.1% of the aggregate level of lending being in moderate-income census tracts. The bank's geographic distribution of refinance lending during 2023 is poor.

During 2024, the bank originated four refinance loans totaling \$5.8 million within its assessment area, and none were located in low- or moderate-income census tracts. As noted in the prior year's discussion, opportunities to make such loans exist with low- and moderate-income census tracts since 4.6% and 14.5% of all owner-occupied housing units and 5.3% and 14.9% of reported aggregate lending was in area low- and moderate-income census tracts. The bank's geographic distribution performance for refinance lending during 2024 is very poor.

The bank's refinance lending performance is poor overall. When considering performance by year, the bank's performance during 2023 is poor, while its performance during 2024 is very poor. In arriving at the overall performance conclusion, more weight was placed on the bank's performance during 2023 because of the larger dollar volume of refinance lending during the year.

Multifamily Lending

During 2023, MSB originated ten (55.6%) multifamily loans within low-income census tracts, which substantially exceeded the percentage of multifamily housing units (14%) and the aggregate lending level (25.4%) in low-income census tracts. The bank's multifamily lending in moderate-income census tracts was not as strong as its lending in low-income census tracts. During 2023, MSB originated one (5.6%) loan in a moderate-income census tract, which lagged both the percentage of multifamily housing units (19.1%) and aggregate lending level (14.4%) in moderate-income census tracts. The bank's multifamily lending geographic distribution performance is excellent during 2023 because of the strength of its performance when lending in low-income census tracts. The bank's performance during 2024 is substantially similar to its performance during 2023.

Small Business Lending

While the bank's small business lending performance is adequate during 2022 and good during 2023, its overall performance is considered adequate. In arriving at the overall performance conclusion, more weight was placed on the bank's performance during 2022 because of the larger dollar volume of small business lending during that year.

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography													
Assessment Area: Washington-Arlington-Alexandria, DC-VA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	2	3.7	4.2	1,250	5.4	3.6	2	4.7	4.0	1,025	5.4	3.3	4.8
Moderate	6	11.1	14.4	2,950	12.6	14.5	5	11.6	14.0	2,238	11.8	14.7	15.1
Middle	19	35.2	29.9	8,361	35.8	30.7	16	37.2	29.9	7,723	40.7	29.0	27.6
Upper	27	50.0	50.6	10,781	46.2	50.1	20	46.5	51.1	7,973	42.1	51.8	51.1
Unknown	0	0.0	0.8	0	0.0	1.0	0	0.0	0.8	0	0.0	1.2	1.4
Tract-Unk	0	0.0	0.2	0	0.0	0.1	0	0.0	0.1	0	0.0	0.0	
Total	54	100.0	100.0	23,342	100.0	100.0	43	100.0	100.0	18,959	100.0	100.0	100.0
Source: 2023 FFIEC Census Data													
2023 Dun & Bradstreet Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

During 2022, the bank's lending in low-income census tracts (3.7%) slightly lagged the percentage of total businesses (4.7%) and the aggregate lending level (4.2%). As indicated by the demographic and aggregate data, small business lending opportunities are limited in the assessment area's low-income census tracts. Similarly, bank lending in moderate-income census tracts (11.1%) lagged both the percentage of total businesses (15.1%) and the aggregate lending level (14.4%). The bank's performance during 2022 is considered adequate overall.

During 2023, the bank's lending in low-income census tracts (4.7%) approximated the percentage of businesses in low-income census tracts (4.8%) and the aggregate lending level (4%). MSB's lending in moderate-income census tracts (11.6%) lagged the percentage of businesses in moderate-income census tracts (15.1%) and the aggregate lending level (14%). The bank's performance during 2023 is considered good largely because of its performance when lending in low-income census tracts.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank's borrower distribution performance is adequate overall. From a product perspective, the distribution performance of HMDA lending is very poor, while the small business lending performance is adequate. In reaching the overall conclusion, little weight was placed on the bank's HMDA lending performance because only three borrowers during 2023 and 2024 had income and could be evaluated. The remaining borrowers were businesses and had revenues and could not be evaluated for the distribution by borrower income.

Home Mortgage Lending

The borrower distribution performance of home mortgage lending is very poor overall, as the home purchase and refinance lending are each considered very poor.

With only seven home improvement loans totaling \$10.5 million reported by the bank during 2023 and 2024, the performance of home improvement loans was not evaluated as it would not have a material impact on the bank's performance.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Washington-Arlington-Alexandria, DC-VA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Home Purchase Loans													
Low	0	0.0	5.3	0	0.0	2.2	0	0.0	5.2	0	0.0	2.1	20.6
Moderate	0	0.0	17.3	0	0.0	10.9	0	0.0	16.2	0	0.0	9.5	15.5
Middle	0	0.0	21.7	0	0.0	18.6	0	0.0	21.8	0	0.0	17.4	19.3
Upper	2	3.9	36.4	863	1.3	49.1	0	0.0	35.5	0	0.0	43.8	44.6
Unknown	49	96.1	19.3	63,731	98.7	19.3	43	100.0	21.3	69,674	100.0	27.3	0.0
Total	51	100.0	100.0	64,594	100.0	100.0	43	100.0	100.0	69,674	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	8.8	0	0.0	5.0	0	0.0	7.1	0	0.0	3.3	20.6
Moderate	0	0.0	17.1	0	0.0	11.3	0	0.0	14.9	0	0.0	9.0	15.5
Middle	0	0.0	22.6	0	0.0	17.6	0	0.0	21.2	0	0.0	15.7	19.3
Upper	0	0.0	39.0	0	0.0	45.6	0	0.0	34.5	0	0.0	41.7	44.6
Unknown	11	100.0	12.4	14,893	100.0	20.4	4	100.0	22.4	5,750	100.0	30.3	0.0
Total	11	100.0	100.0	14,893	100.0	100.0	4	100.0	100.0	5,750	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.8	0	0.0	2.5	0	0.0	5.5	0	0.0	2.6	20.6
Moderate	0	0.0	15.5	0	0.0	9.5	0	0.0	15.8	0	0.0	10.0	15.5
Middle	0	0.0	25.2	0	0.0	18.8	0	0.0	28.1	0	0.0	22.3	19.3
Upper	1	33.3	51.2	555	19.2	65.3	0	0.0	46.9	0	0.0	59.8	44.6
Unknown	2	66.7	3.3	2,331	80.8	3.9	4	100.0	3.7	7,621	100.0	5.2	0.0
Total	3	100.0	100.0	2,886	100.0	100.0	4	100.0	100.0	7,621	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	0	0.0	5.8	0	0.0	2.5	0	0.0	5.7	0	0.0	2.3	20.6
Moderate	0	0.0	17.0	0	0.0	10.8	0	0.0	16.0	0	0.0	9.5	15.5
Middle	0	0.0	22.5	0	0.0	18.5	0	0.0	22.8	0	0.0	17.3	19.3
Upper	3	4.6	38.7	1,418	1.7	49.4	0	0.0	36.6	0	0.0	44.1	44.6
Unknown	62	95.4	16.0	80,955	98.3	18.8	51	100.0	18.9	83,045	100.0	26.8	0.0
Total	65	100.0	100.0	82,373	100.0	100.0	51	100.0	100.0	83,045	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Home Purchase Lending

During 2023, MSB originated 51 home purchase loans within its assessment area. Two of the loans were extended to upper-income borrowers. The remaining 49 loans were extended to non-natural persons for business purposes and these borrowers have revenue rather than income and cannot be evaluated for the distribution by borrower income. Both demographic and aggregate data indicate that lending opportunities exist with low- and moderate-income borrowers in the assessment area. However, as previously explained the bank's residential mortgage lending is more oriented toward business purpose (rental property) loans. Nonetheless, the bank's performance is considered very poor during 2023, and its performance is substantially similar during 2024.

Refinance Lending

During 2023, MSB originated eleven refinance loans within its assessment area, and all were to business borrowers for rental properties. As such, none of the bank's refinance loans were extended to low- or moderate-income borrowers. Both demographic and aggregate data indicate that lending opportunities exist with low- and moderate-income borrowers in the assessment area; however, the bank's lending is oriented more toward business purpose residential mortgage loans than consumer purpose loans. The bank's low- and moderate-income borrower performance is very poor during 2023, and its performance during 2024 is substantially similar.

Small Business Lending

The bank's small business borrower distribution performance is adequate during both 2022 and 2023.

Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses														
Assessment Area: Washington-Arlington-Alexandria, DC-VA														
	Bank And Aggregate Loans By Year												Total Businesses %	
	2022						2023							
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg		
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%		
By Revenue														
\$1 Million or Less	18	33.3	51.2	7,802	33.4	33.5	14	32.6	54.6	6,244	32.9	33.6	91.0	
Over \$1 Million	36	66.7		15,540	66.6		29	67.4		12,715	67.1		8.1	
Revenue Unknown	0	0.0		0	0.0		0	0.0		0	0.0			
Total	54	100.0		23,342	100.0		43	100.0		18,959	100.0		100.0	
By Loan Size														
\$100,000 or Less	10	18.5	95.4	490	2.1	45.2	6	14.0	96.2	456	2.4	49.5		
\$100,001 - \$250,000	7	13.0	2.4	1,239	5.3	13.4	8	18.6	2.0	1,584	8.4	12.7		
\$250,001 - \$1 Million	37	68.5	2.2	21,613	92.6	41.4	29	67.4	1.8	16,919	89.2	37.8		
Total	54	100.0	100.0	23,342	100.0	100.0	43	100.0	100.0	18,959	100.0	100.0		
By Loan Size and Revenues \$1 Million or Less														
\$100,000 or Less	4	22.2		154	2.0		2	14.3		66	1.1			
\$100,001 - \$250,000	1	5.6		239	3.1		1	7.1		245	3.9			
\$250,001 - \$1 Million	13	72.2		7,409	95.0		11	78.6		5,933	95.0			
Total	18	100.0		7,802	100.0		14	100.0		6,244	100.0			
Source: 2023 FFIEC Census Data														
2023 Dun & Bradstreet Data														
2016-2020 U.S. Census Bureau: American Community Survey														
Note: Percentages may not total 100.0 percent due to rounding.														

During 2022, the bank's performance is considered adequate. MSB's lending to businesses with annual revenues of \$1 million or less (33.3%) significantly lagged the percentage of area businesses having revenues of \$1 million or less (90.9%) and lagged the aggregate lending level (51.2%). The remaining percentage of small business loans reported by the aggregate lenders either had annual revenue exceeding \$1 million per year or revenues were unknown. With respect to the distribution by loan amount, 18.5% of the bank's small business loans were in amounts of \$100,00 or less compared to 95.4% of such lending by the aggregate reporters. The bank's performance during 2022 is considered adequate and its small business performance during 2023 is similar.

Community Development Lending

The bank provided a relatively high level of CD loans in this assessment area during the evaluation period. During the evaluation period, MSB originated 68 community development loans totaling \$324.5 million that benefitted the bank's assessment area or broader statewide area including the bank's assessment area. The following table provides a summary of the type, number, and amount of community development loans originated by the bank during the evaluation period within the bank's assessment area.

Community Development Loans Washington-Arlington-Alexandria, DC-VA Multistate Area		
Community Development Purpose	#	\$000
Affordable Housing	63	\$304,380
Community Services	1	\$2,920
Economic Development	1	\$2,000
Revitalization and Stabilization	2	\$14,034
Total Loans	67	\$323,334

Information from an individual knowledgeable of the local community and review of performance evaluations of other banks operating in this assessment area indicate that community development lending opportunities are readily available within the assessment area. The bank faces no constraints in being able to originate and fund community development loans.

In addition to the loans noted above, the bank originated one loan totaling \$1,120,000 that supported economic development and job creation within the City of Fredericksburg, VA, which is outside of the bank's assessment area but within the larger statewide area.

INVESTMENT TEST

The bank's Investment Test performance is rated Outstanding in the Washington-Arlington-Alexandria, DC-VA Multistate Area. Factors supporting this conclusion include:

- The bank has an excellent level of qualified CD investments and grants and is occasionally in a leadership position.
- The bank makes occasional use of innovative and/or complex investments
- The bank exhibits excellent responsiveness to the credit and CD needs of its assessment areas.

The following table provides detail regarding the type, number, and amount of qualified community development investments held by the bank.

Investments, Grants, Donations Washington-Arlington-Alexandria, DC-VA Multistate Area		
Community Development Purpose	#	\$000
Affordable Housing	25	\$29,589
Community Services	1	\$3,254
Donations & Grants	54	\$196
Total	80	\$33,039

For context, the bank's securities portfolio totaled \$69.1 million as of March 31, 2025. With \$33 million of qualified community development investments, which includes donations and grants, approximately 47.8% of the bank's securities portfolio consists of qualified community development investments, which is a large portion of the bank's overall investments and a significant factor in the bank's Investment Test performance rating.

Of the qualified investment and donations reflected in the table above, the following investments benefit statewide or a larger regional area that include the bank's assessment area.

- Fourteen Virginia Housing Development Authority bonds totaling \$10.8 million (affordable housing).
- Three equity investments totaling \$5.4 million in funds issued by Virginia Community Development Corporation (affordable housing).

SERVICE TEST

The bank's Service Test performance in the Washington-Arlington-Alexandria, DC-VA Multistate Area is rated High Satisfactory. Factors supporting this conclusion include:

- Branch locations and alternative delivery systems are readily accessible to the bank's various geographies and to individuals of different income levels in the assessment area.
- There was no branching activity during the evaluation period.
- Products, services, and business hours do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income people and areas.
- The bank provided an adequate level of community development services.

Retail Banking Services

Distribution and Accessibility of Bank Branches and Alternative Delivery Systems

Branch locations and alternative delivery systems, such as ATMs, drive-through facilities, and online and mobile banking, are readily accessible to the bank's various geographies and to individuals of different income levels in the assessment area.

Tract Income Levels	Branches		ATMS		Demographics					
					Census Tracts		Households		Total Businesses	
	#	%	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	75	9.6%	108,547	9.2%	9,875	5.5%
Moderate	2	33.3%	2	40.0%	130	16.6%	209,861	17.9%	26,112	14.4%
Middle	2	33.3%	2	40.0%	241	30.7%	375,380	31.9%	59,411	32.8%
Upper	2	33.3%	1	20.0%	318	40.5%	471,586	40.1%	83,246	46.0%
Unknown	0	0.0%	0	0.0%	21	2.7%	9,977	0.85%	2,438	1.3%
Totals	6	100%	5	100%	785	100%	1,175,621	100%	181,082	100%

Bank offices in moderate-income census tracts substantially exceed the percentage of such census tracts and the percentage of households and area businesses located in moderate-income census tracts within the assessment area.

Changes in Branch Locations

The bank did not open or close any branch offices in the assessment area during the evaluation period.

Reasonableness of Business Hours and Retail Services

The bank's products, services, and business hours do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income people and areas.

Branches are generally open from 9am to 4pm, Monday through Friday. Two branch offices located in moderate-income census tracks offer extended hours; both remain open until 5pm on Friday, and one offers Saturday hours from 9am to 12pm. None of the branches offer drive-thru services.

Community Development Services

During the evaluation period, the bank provided an adequate level of community development services. The following table provides a summary of the bank's qualified community development services during the evaluation period.

CRA Service Type	#
Washington-Arlington-Alexandria, DC-VA Multistate Area	Activities
Affordable Housing	2
Community Services	10
Economic Development	2
Revitalize & Stabilization	0
Total Services	14

Information from an individual knowledgeable of the assessment area and review of CRA Performance Evaluations of other institutions operating within the assessment area indicate that community development service opportunities are readily available within the assessment area.

During the evaluation period, seven different bank staff members provided technical expertise to ten different organizations providing community development services targeted to affordable housing, low- and moderate-income people, and small business within its assessment area. Of the bank's staff members, one was particularly active and supported six of the ten different organizations.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

CRA APPENDIX A
SCOPE OF EXAMINATION

ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED¹	Other Information
Washington-Arlington-Alexandria, DC-VA Multistate Area	Full-Scope	22980 Shaw Rd., Sterling, VA	Small farm loans not evaluated

¹ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

CRA APPENDIX B

Demographic Tables

2022 Washington-Arlington-Alexandria, DC-VA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	73	9.3	53,959	7.4	12,221	22.6	143,952	19.8
Moderate	113	14.4	109,152	15.0	9,999	9.2	106,934	14.7
Middle	227	28.9	216,636	29.8	8,699	4.0	135,979	18.7
Upper	351	44.7	342,424	47.1	6,341	1.9	339,409	46.7
Unknown	21	2.7	4,103	0.6	490	11.9	0	0.0
Total AA	785	100.0	726,274	100.0	37,750	5.2	726,274	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	112,054	27,819	4.0	24.8	74,176	66.2	10,059	9.0
Moderate	197,006	88,139	12.5	44.7	95,582	48.5	13,285	6.7
Middle	370,489	209,172	29.8	56.5	142,945	38.6	18,372	5.0
Upper	556,517	375,316	53.4	67.4	152,495	27.4	28,706	5.2
Unknown	11,361	2,392	0.3	21.1	7,585	66.8	1,384	12.2
Total AA	1,247,427	702,838	100.0	56.3	472,783	37.9	71,806	5.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	9,040	4.7	8,562	4.9	404	2.6	74	4.0
Moderate	29,242	15.1	26,060	14.8	2,945	18.7	237	12.8
Middle	53,677	27.8	48,697	27.7	4,572	29.0	408	22.0
Upper	98,645	51.0	90,260	51.4	7,478	47.5	907	49.0
Unknown	2,635	1.4	2,049	1.2	360	2.3	226	12.2
Total AA	193,239	100.0	175,628	100.0	15,759	100.0	1,852	100.0
Percentage of Total Businesses:			90.9		8.2		1.0	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	27	3.0	27	3.1	0	0.0	0	0.0
Moderate	62	6.9	59	6.7	3	17.6	0	0.0
Middle	248	27.5	243	27.6	5	29.4	0	0.0
Upper	562	62.4	551	62.5	9	52.9	2	100.0
Unknown	2	0.2	2	0.2	0	0.0	0	0.0
Total AA	901	100.0	882	100.0	17	100.0	2	100.0
Percentage of Total Farms:			97.9		1.9		0.2	
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.								

2023 Washington-Arlington-Alexandria, DC-VA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	73	9.3	53,959	7.4	12,221	22.6	143,952	19.8
Moderate	113	14.4	109,152	15.0	9,999	9.2	106,934	14.7
Middle	227	28.9	216,636	29.8	8,699	4.0	135,979	18.7
Upper	351	44.7	342,424	47.1	6,341	1.9	339,409	46.7
Unknown	21	2.7	4,103	0.6	490	11.9	0	0.0
Total AA	785	100.0	726,274	100.0	37,750	5.2	726,274	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	112,054	27,819	4.0	24.8	74,176	66.2	10,059	9.0
Moderate	197,006	88,139	12.5	44.7	95,582	48.5	13,285	6.7
Middle	370,489	209,172	29.8	56.5	142,945	38.6	18,372	5.0
Upper	556,517	375,316	53.4	67.4	152,495	27.4	28,706	5.2
Unknown	11,361	2,392	0.3	21.1	7,585	66.8	1,384	12.2
Total AA	1,247,427	702,838	100.0	56.3	472,783	37.9	71,806	5.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	9,347	4.8	8,867	5.0	404	2.6	76	4.3
Moderate	29,410	15.1	26,235	14.8	2,946	18.7	229	12.8
Middle	53,814	27.6	48,947	27.6	4,487	28.5	380	21.3
Upper	99,562	51.1	91,167	51.4	7,521	47.8	874	48.9
Unknown	2,659	1.4	2,066	1.2	366	2.3	227	12.7
Total AA	194,792	100.0	177,282	100.0	15,724	100.0	1,786	100.0
Percentage of Total Businesses:				91.0		8.1		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	25	2.7	25	2.8	0	0.0	0	0.0
Moderate	61	6.7	58	6.5	3	15.8	0	0.0
Middle	250	27.5	244	27.4	6	31.6	0	0.0
Upper	572	62.9	560	63.0	10	52.6	2	100.0
Unknown	2	0.2	2	0.2	0	0.0	0	0.0
Total AA	910	100.0	889	100.0	19	100.0	2	100.0
Percentage of Total Farms:				97.7		2.1		0.2
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CRA APPENDIX C

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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