



**PUBLIC DISCLOSURE**

**July 31, 2023**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**FVCbank**

**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.

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3614976

11325 Random Hills Road

Fairfax, Virginia 22030

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

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**INSTITUTION RATING**

**INSTITUTION'S CRA RATING:** FVCbank is rated "SATISFACTORY."

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

PERFORMANCE LEVELS	<u>FVCbank</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X		
Needs to Improve		X	
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 overall to assessment area credit needs.
- A high percentage of the institution's total combined residential mortgage and reported small business loans were originated within the bank's assessment areas.
- While the bank's geographic distribution performance varies by assessment area and product type, the geographic distribution of loans reflects adequate penetration overall through the multistate area and the State of Maryland.
- The bank's borrower distribution performance also varies by assessment area and product type. The overall distribution of borrowers reflects adequate overall penetration among customers of different income levels and businesses of different sizes.
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and geographies as well as very small businesses.
- The bank has made use of innovative and/or flexible lending practices during the review period in serving assessment area credit needs, particularly small businesses.

- The bank made a relatively high level of community development loans within its assessment areas given its overall capacity to extend such loans.
- The bank exhibits a poor level of responsiveness to credit and community development needs through its investment activity and made a poor level of qualified community development investments, making rare use of innovative and/or complex investments to support community development initiatives.
- Delivery systems and branch locations are accessible to individuals and geographies of different income levels within the bank's assessment areas, and the bank provides a relatively high level of qualified community development services overall.
- Branch closings generally have not adversely affected the accessibility of its delivery systems.
- The bank's services do not vary in a way that inconveniences low- or moderate-income geographies or individuals.
- The bank and its employees provide a relatively high level of community development services during the evaluation period.

**INSTITUTION**

**DESCRIPTION OF INSTITUTION**

FVCbank (FVCB) is headquartered in Fairfax, Virginia, and operates nine branch offices and one loan production office (LPO) within the multistate metropolitan area (District of Columbia-Maryland-Virginia) and the State of Maryland. The bank is a wholly-owned subsidiary of FVCBankcorp, Inc., a single-bank holding company, also headquartered in Fairfax, Virginia. FVCB received a Satisfactory rating at its previous CRA evaluation. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

Since its previous evaluation, dated August 3, 2020, FVCB acquired 28.7% ownership interest in a mortgage subsidiary, Atlantic Coast Mortgage (ACM), which is also headquartered in Fairfax, Virginia.

As of June 30, 2023, the bank held assets totaling \$2.3 billion, of which 80.6% are net loans and 9.9% are securities. During this same period, deposits totaled \$2.1 billion. Various deposit and loan products are available through the institution including loans for residential mortgage, businesses, and consumer purposes. The composition of the loan portfolio (using gross loans) as of June 30, 2023, is depicted in the following table.

**Composition of Loan Portfolio**

Loan Type	6/30/2023	
	\$(000s)	%
Secured by 1-4 Family dwellings	374,983	19.7
Multifamily	195,269	10.3
Construction and Development	158,652	8.3
Commercial & Industrial/ NonFarm NonResidential	1,167,967	61.3
Consumer Loans and Credit Cards	5,496	0.3
Agricultural Loans/ Farmland	674	0.0
All Other	773	0.0
<b>Total</b>	<b>1,903,814</b>	<b>100.0</b>

As reflected in the preceding table, commercial and residential mortgage loans represent the largest loan types within the bank’s portfolio. While FVCB continues to offer other loans, such as consumer and small farm loans, the volume of such lending is relatively small in comparison to the volume of commercial and residential mortgage lending.

FVCB delineated two assessment areas within northern Virginia, the District of Columbia, and portions of Maryland. The following table reflects the current composition of the bank’s delineated assessment areas.

Assessment Area Name	City/County	State	Census Tracts Included
Washington-Arlington-Alexandria, DC-MD-VA	District of Columbia	DC	All
	Montgomery County	MD	All
	Prince George's County	MD	All
	Arlington County	VA	All
	Fairfax County	VA	All
	Loudoun County	VA	All
	Prince William County	VA	All
	Alexandria City	VA	All
	Fairfax City	VA	All
	Falls Church City	VA	All
	Manassas City	VA	All
	Manassas Park City	VA	All
Baltimore-Columbia-Towson, MD	Baltimore County	MD	All
	Baltimore City	MD	All

Since its prior evaluation, the bank closed two branch offices and one LPO and opened one LPO within its assessment areas; however, this activity did not require adjustments to the bank's CRA assessment area delineations. Details of the bank's branching activity include the following.

Assessment Area	Name	Date	Activity
Baltimore-Columbia-Towson, MD	Towson LPO	December 14, 2022	Opened
Baltimore-Columbia-Towson, MD	Lutherville LPO	December 13, 2022	Closed
Washington-Arlington-Alexandria, DC-MD-VA	Ashburn	September 30, 2020	Closed
Washington-Arlington-Alexandria, DC-MD-VA	Silver Spring	September 30, 2020	Closed

## SCOPE OF EXAMINATION

The institution was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC) for large institutions. Residential mortgage and small business lending were identified as primary product lines given the number and dollar volume of loans originated during the review period.

The evaluation incorporates an analysis of all residential mortgage loans originated and purchased by the bank during 2022. From a loan purpose perspective, this universe of residential mortgage loans includes all home purchase, refinance, home improvement, and multifamily-secured loans originated and purchased by the bank during 2022. During 2020, 2021, and 2022, FVCB did not report Home Mortgage Disclosure Act (HMDA) residential mortgage loan data because its origination volume was below the regulation's volume threshold for reporting.

FVCB is required to collect and report data for small business loans in accordance with the CRA; therefore, the evaluation also incorporates an analysis of all CRA data reported during calendar years 2020 and 2021.

Qualified community development loans that were originated or renewed from August 3, 2020, the date of the most recent CRA evaluation, through July 31, 2023 (i.e., the evaluation period), are also considered for this evaluation. All qualified community development services provided since the previous evaluation, all qualified investments made during the evaluation period, and those investments outstanding as of the date the evaluation began, regardless of when made, were also considered.

The evaluation considers only the activities of FVCB and does not include the activities of any other affiliates or subsidiaries, including the bank's partially owned residential mortgage company (ACM).

The bank serves two assessment areas – Washington-Arlington-Alexandria, DC-MD-VA and Baltimore-Columbia-Towson, MD. Full-scope evaluation procedures were applied to both assessment areas. Because of the bank's branch locations, an overall rating and the ratings for the Lending, Investment, and Service Tests are required for the institution, Maryland, and the multistate metropolitan area (Washington-Arlington-Alexandria, DC-MD-VA assessment area).

While the bank has reported its 2022 CRA data, the data is not included in the analysis because the 2022 aggregate data was not yet available at the start of this evaluation. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2022 is an important performance context factor needed to evaluate the bank's lending performance.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The institution's overall rating is based on the ratings assigned to the State of Maryland and the multistate metropolitan area. These ratings are weighted primarily according to bank activity as measured by relative lending and deposit volume and the number of branches. According to FFIEC examination procedures, the Lending Test performance accounts for half of the overall rating, while the Investment and Service Tests are equally weighted and combined, account for the remaining half of the overall rating. In all cases, conclusions also take into consideration relevant performance context factors.



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

When evaluating a bank's residential mortgage lending performance, relevant area demographic data from American Community Survey (ACS) is used as a proxy for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated every five years. As such, when evaluating the bank's performance, relevant area demographic data from the 2020 ACS is used as a proxy for loan demand. Dun & Bradstreet (D&B) business demographic data from 2020 and 2021 is considered when evaluating the bank's small business lending performance.

Aggregate loan data is also used as a proxy for demand when evaluating the bank's lending performance. Aggregate HMDA data includes all activity by lenders subject to reporting residential mortgage data within the bank's assessment areas. Since the bank was not subject to HMDA reporting during the evaluation period, FVCB's lending activity is not included in the aggregate HMDA data. Nevertheless, aggregate data serves as a meaningful proxy for residential mortgage loan demand in the area and is considered in the evaluation as an element of performance context. Aggregate CRA data includes all activity by lenders subject to reporting small business and small farm loan data within the bank's assessment areas. Since the bank was subject to CRA reporting during the evaluation period, FVCB's lending activity is included in the aggregate CRA data.

During 2020 and 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 2020 and 2021 for which revenue was unknown.

As indicated in **Appendix C**, the bank's operations (i.e., loan originations, branches, and deposit account volume) are heavily concentrated in the multistate metropolitan area. As such, FVCB's performance in the Washington-Arlington-Alexandria, DC-MD-VA multistate metropolitan area is weighted considerably more heavily than the performance in the State of Maryland when considering the bank's overall performance ratings.

## **LENDING TEST**

The bank's overall Lending Test performance is rated Low Satisfactory. This rating considers the bank's lending activity, assessment area concentration, geographic and borrower distribution performances, responsiveness to credit needs, community development lending, and product innovation. These components are discussed in subsequent sections.

### **Lending Activity:**

Overall, the bank's lending levels reflect good responsiveness to credit needs, based on the lending activity analyzed under the Lending Test. The total number and dollar volume of loans were considered in arriving at the lending activity conclusion. In addition, loan volume by assessment area was generally comparable with the bank's share of deposits in its assessment areas.

FVCB’s originated and purchased residential mortgage loans from 2022, and its reported CRA data from 2020 and 2021 were considered when evaluating the bank’s lending activity.

**Summary of Lending Activity**

<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>\$(000)</b>	<b>% of \$</b>
Small Business	1,341	82.8	229,356	45.0
Mortgage Loans	279	17.2	280,294	55.0
<b>TOTAL LOANS</b>	<b>1,620</b>	<b>100</b>	<b>509,650</b>	<b>100</b>

During 2022, the bank originated 204 residential mortgage loans totaling \$225.3, and during 2020 and 2021 FVCB extended 1,222 small business loans totaling \$206.1 million inside their assessment areas. According to 2021 aggregate data, FVCB ranked 31<sup>st</sup> out of 327 CRA reporters with a .2% market share. According to 2020 aggregate data, FVCB ranked 28th out of 341 CRA reporters with a .4% market share.

Information about the bank’s loan-to-deposit ratio, changes in loans and deposits, and its market share and rankings can provide additional context regarding the bank’s lending activity and its capacity. As of June 30, 2023, FVCB’s loan-to-deposit ratio equaled 90.2% and averaged 89.5% during the 12-quarter period ending June 30, 2023. Since September 30, 2020, FVCB’s assets, net loans, and deposits have increased by 30.6%, 27.1%, and 37.8%, respectively.

To meet the credit needs of its assessment areas, FVCB offers financial products predominantly targeted towards commercial customers. Various deposit and loan products are available through the institution, including loans for residential mortgage, businesses, and consumer purposes. In addition, the bank offers loan products and participates in loan programs that have flexible criteria or are designed to meet specific credit needs that often benefit low- and moderate-income borrowers or promote economic development. The following is an example of a loan program that the bank utilized in an effort to be responsive to community credit needs.

- Paycheck Protection Program (PPP) – The bank offered PPP loans designed to help businesses keep their workforce employed during the recent coronavirus (COVID-19) crisis. During 2020, FVCB originated 662 PPP loans totaling \$93.1 million, and in 2021 originated 400 PPP loans totaling \$52.6 million.

While many of these loans have been reported by the bank as small business or community development loans, they are examples of FVCB using flexible lending products to meet the credit needs within its assessment areas and larger statewide areas. FVCB make use of innovative and/or flexible lending practices in serving assessment area credit needs.

**Assessment Area Concentration:**

The bank’s volume of residential mortgage loans from January 1, 2022, through December 31, 2022, and reported small business loans from January 1, 2020, through December 31, 2021, is reflected in the following table.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	1,222	91.1	206,054	89.8	119	8.9	23,302	10.2
Mortgage Loans	204	73.1	225,320	80.4	75	26.9	54,974	19.6
<b>TOTAL LOANS</b>	<b>1,426</b>	<b>88.0</b>	<b>431,374</b>	<b>84.6</b>	<b>194</b>	<b>12.0</b>	<b>78,276</b>	<b>15.4</b>

As indicated in the preceding table, a high percentage of the total number (88%) and dollar amount (84.6%) of loans have been provided to borrowers within the bank’s assessment areas.

**Geographic and Borrower Distribution:**

The bank’s overall geographic distribution performance is adequate. From a multistate area and state perspective, FVCB’s performance is adequate in the multistate metropolitan area and the State of Maryland. FVCB’s borrower distribution is also adequate overall. Its performance in the multistate metropolitan area is adequate, while its performance in the State of Maryland is poor.

When evaluating the geographic and borrower distribution for a specific loan category within an assessment area, primary emphasis is placed on the number of loans originated or purchased. Loan data evaluated under the Lending Test includes CRA loans reported during 2020 and 2021, and residential mortgage loans originated and purchased during 2022. Considering the varying economic conditions between 2020 and 2022, and to account for the fact that the Lending Test is considering only one year of residential mortgage lending and two years of CRA lending data, residential mortgage volume from 2020 and 2021 was considered along with the performance conclusions from 2022 in order to determine the weighting of each product and to determine the overall assessment area, state, and multistate metropolitan area ratings.

After comparing the volume of residential mortgage lending activity from 2020 and 2021 to the volume of small business lending activity from the same time period, FVCB’s small business lending performance was given greater weight when evaluating the geographic and borrower distribution performance in the Washington-Arlington-Alexandria, DC-MD-VA multistate metropolitan area, while the bank’s residential mortgage lending performance was given greater weight when evaluating the geographic and borrower distribution performance in the Maryland assessment area (Baltimore-Columbia-Towson, MD).

When evaluating the bank’s performance, relevant area demographic data from the 2020 American Community Survey (ACS) is used to estimate potential loan demand for residential mortgage lending. 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 the ACS data that is published and updated once every five years. Dun & Bradstreet (D&B) demographic data from 2020 and 2021 is also considered when evaluating the bank’s small business and small farm performance. Aggregate HMDA loan data from 2022 and aggregate CRA loan data from 2020 and 2021 were considered when evaluating the bank’s residential mortgage and CRA loan performance. Aggregate data includes all activity reported by lenders

subject to reporting HMDA and CRA loan data within the bank’s assessment areas. Because FVCB is required to report CRA loan data, its lending is included in the aggregate loan data. FVCB was not subject to HMDA reporting requirements during 2022; consequently, aggregate HMDA data does not include the bank’s residential mortgage lending activity.

**Community Development Lending:**

During the evaluation period, the bank made a relatively high level of community development loans in relation to available opportunities. From a multistate area and state perspective, the bank’s CD lending performance is good in both the multistate metropolitan area and Maryland. The following table summarizes the bank’s community development lending during the evaluation period.

<b>CRA Loan Purpose</b>	<b>#</b>	<b>\$ (000s)</b>
Affordable Housing	27	\$53,148
Economic Development	3	\$9,390
<b>Total</b>	<b>31</b>	<b>\$62,538</b>

Community development lending opportunities within the bank’s assessment areas are readily available, which is based, in part, upon the review of other public evaluations for institutions serving these assessment areas, as well as information from economic development officials working within the bank’s assessment areas. The bank faces no constraints relative to its size and business strategy in making community development loans and has extended such loans consistent with available opportunities.

**INVESTMENT TEST**

The bank’s level of responding to community development needs through its investment activities is rated Needs to Improve. Through its qualified community development investment activity, FVCB makes rare use of innovative and/or complex investments, and the bank demonstrates poor responsiveness to credit and community development needs through its investment activity. From the multistate area and state perspective, the bank’s Investment Test performance is poor in the multistate metropolitan area and very poor in Maryland.

The following table summarizes the bank’s community development investments and grants made during the evaluation period along with activity from prior periods still outstanding as of the date of this evaluation.

<b>CRA Investment Purpose</b>	<b>#</b>	<b>\$</b>
Affordable Housing Loan Pool	1	\$480,844
Donations	3	\$4,000
<b>Total</b>	<b>4</b>	<b>\$484,844</b>

As of June 30, 2023, the institution reported \$2.3 billion in total assets and a securities portfolio totaling \$230.5 million. Information from individuals knowledgeable of the bank’s assessment areas and review of the performance evaluations of other banks operating in FVCB’s assessment area indicate that investment opportunities are readily available. Internally, the bank has sufficient capacity to make additional qualified investments.

## SERVICE TEST

FVCB’s overall performance under the Service Test is rated High Satisfactory. The bank’s performance is rated High Satisfactory in the multistate area and Needs to Improve in the State of Maryland. In reaching the overall, bankwide conclusion, more weight was placed on the bank’s performance in the multistate area than the State of Maryland given that a substantial majority of the bank’s operations<sup>1</sup> is located in the multistate area.

Delivery systems, branch locations, and hours of operation are considered accessible to individuals and geographies of different income levels within the bank’s assessment areas. Of the nine branches, none are located in a low-income census tract and two (22.2%) are located within moderate-income census tracts. For context, 34.4% of households and 26.2% of area businesses are located in low- and moderate-income census tracts within the bank’s assessment areas based on 2020 ACS data. The bank also operates additional branches located near low- and moderate-income census tracts. Across both assessment areas, five of the nine branches are located near (within two miles) area low- and moderate-income census tracts. In addition, FVCB provides other delivery systems, such as digital banking and Automated Teller Machines (ATMs), which are accessible to low- and moderate-income areas and people, and businesses.

The bank’s branching activity during the evaluation period did not adversely affect the accessibility of its banking delivery systems within its combined assessment areas, particularly for low- or moderate-income people or census tracts. As previously noted, the bank closed two branches and one LPO and opened one LPO since its prior evaluation. The following table illustrates this branching activity.

Assessment Area	Name	Date	Activity	Census Tract Income Level
Baltimore-Columbia-Towson, MD	Towson LPO	December 14, 2022	Opened	Moderate
Baltimore-Columbia-Towson, MD	Lutherville LPO	December 13, 2022	Closed	Middle
Washington-Arlington-Alexandria, DC-MD-VA	Ashburn	September 30, 2020	Closed	Upper
Washington-Arlington-Alexandria, DC-MD-VA	Silver Spring	September 30, 2020	Closed	Middle*

\* Census tract income level was moderate when the branch closed; however, the census tract income level changed to middle-income following the release of the 2020 ACS data.

In addition, retail banking services do not vary in a way that inconveniences any portion of the bank’s assessment areas, including low- and moderate-income areas or people. The bank also continues to offer free and low-cost checking account options. While these accounts are available to all customers, they can be especially beneficial to low- and moderate-income people and small businesses.

Overall, FVCB and its employees provide a relatively high level of community development services within the bank’s assessment areas. FVCB and its employees volunteered their time and provided financial expertise to organizations that provide community development services within the bank’s assessment areas. The following table summarizes the bank’s activities across all assessment areas during the evaluation.

<sup>1</sup> The multistate area accounts for 92.6% of the number and 94.2% of recent loan dollars, 88.9% of the bank’s branches, and 98.2% of deposits.

<b>CRA Service Type</b>	<b># Activities</b>
Affordable Housing	1
Economic Development	2
Services Targeted to Low- and Moderate-Income People	5
<b>Total</b>	<b>8</b>

**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.

## MULTISTATE METROPOLITAN AREA

### ***CRA RATING FOR WASHINGTON-ARLINGTON-ALEXANDRIA, DC-MD-VA<sup>2</sup>: SATISFACTORY***

*The Lending Test is rated: Low Satisfactory*

*The Investment Test is rated: Needs to Improve*

*The Service Test is rated: High Satisfactory*

Major factors supporting the rating include:

- Lending levels reflect good responsiveness to assessment area credit needs.
- The bank's geographic distribution performance varies by product within the multistate metropolitan area and is considered adequate overall.
- The bank's borrower distribution performance varies by product within the multistate metropolitan area and is considered adequate overall.
- The bank exhibits an adequate record of serving the needs of businesses in low-income areas and very small businesses, while the bank's residential mortgage lending to low-income people and areas is poor. Overall, the bank's performance is adequate because greater weight is placed on the bank's small business lending performance because of its larger dollar volume of lending.
- The bank funded a relatively high level of community development loans in the multistate metropolitan area during the evaluation period and makes use of flexible lending practices to meet credit needs.
- The bank exhibits poor responsiveness to credit and community development needs through its investment activity. The bank rarely makes use of innovative and/or complex investments and exhibits poor responsiveness to community development needs.
- Delivery systems and branch locations are accessible within the multistate metropolitan area. Retail banking services do not vary in a way that inconveniences the bank's assessment areas, particularly to low- and moderate-income areas and people.
- The bank did not open any branches since the previous evaluation and the bank's record of closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or individuals.
- The bank and its employees provide a relatively high level of community development services within the multistate metropolitan area during the evaluation period.

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<sup>2</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained in the multistate metropolitan area.

**SCOPE OF EXAMINATION**

The evaluation incorporates an analysis of all residential mortgage loans originated and purchased by the bank during 2022. From a loan purpose perspective, this universe of residential mortgage loans includes all home purchase, refinance, home improvement, and multifamily-secured loans originated and purchased by the bank during 2022. During 2020, 2021, and 2022, FVCB did not report Home Mortgage Disclosure Act (HMDA) residential mortgage loan data because its origination volume was below the regulation’s volume threshold for reporting.

FVCB is required to collect and report data for small business loans in accordance with the CRA; therefore, the evaluation also incorporates an analysis of all CRA data reported during calendar years 2020 and 2021.

Qualified community development loans that were originated or renewed from August 3, 2020, the date of the most recent CRA evaluation, through July 31, 2023 (i.e., the evaluation period), are also considered for this evaluation. All qualified community development services provided since the previous evaluation, all qualified investments made during the evaluation period, and those investments outstanding as of the date the evaluation began, regardless of when made, were also considered.

Ratings for the multistate area are based solely on the bank’s performance in this assessment area. The bank’s performance in other parts of Maryland that are not part of this multistate assessment area is not considered in the evaluation of this assessment area.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN WASHINGTON-ARLINGTON-ALEXANDRIA, DC-MD-VA MULTISTATE METROPOLITAN AREA**

The bank’s Washington-Arlington-Alexandria, DC-MD-VA multistate assessment area is comprised of portions of the Washington-Arlington-Alexandria DC-VA-MD WV and Frederick-Gaithersburg-Rockville, MD metropolitan divisions. The following table reflects the current composition of the bank’s assessment area.

<b>Metropolitan Division</b>	<b>City/County</b>	<b>State</b>	<b>Census Tracts</b>
Frederick-Gaithersburg-Rockville, MD	Montgomery County	MD	All
	Alexandria City	VA	All
Washington-Arlington-Alexandria, DC-VA-MD-WV	Arlington County	VA	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 William County	VA	All
	Prince George’s County	MD	All
	District of Columbia	DC	All

As of June 30, 2022, the institution ranked 19<sup>th</sup> out of 58 financial institutions in deposit market share with .7% of the assessment area’s available Federal Deposit Insurance Corporation (FDIC) insured deposits (credit union deposits are not included).



According to 2020 American Consumer Survey (ACS) data, the assessment area has a population of approximately 5.3 million and a median housing value of \$474,697. The owner-occupancy rate for the assessment area (58%) is higher than the rate in the District of Columbia (38.4%), but slightly lower than 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 (64.6%) metropolitan division and approximates the rate for the Washington-Arlington-Alexandria, DC-VA-MD-WV (59.1%) metropolitan division.

Within the assessment area, 5.1% of families are below the poverty level, which is lower than the percentage in both the State of Maryland (5.9%) and the Commonwealth of Virginia (6.8%) and is significantly lower than the percentage in the District of Columbia (11.3%). The area’s percentage of families below the poverty level is similar to the percentage in the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (5.2%), but higher than the Frederick-Gaithersburg-Rockville, MD (4.4%) metropolitan division. Applicable median family incomes for the assessment area are noted in the following table.

Geographic Area	Median Family Incomes		
	2020	2021	2022
Frederick-Gaithersburg-Rockville, MD Metropolitan Division	\$124,400	\$129,900	\$143,900
Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division	\$118,700	\$122,100	\$139,700

The following tables provide pertinent demographic data for the assessment area.

**Assessment Area Demographics**

Washington-Arlington-Alexandria DC-MD-VA (Based on 2020 ACS Data)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	115	9.3	93,448	7.8	17,294	18.5	254,635	21.4
Moderate	263	21.4	246,704	20.7	19,624	8.0	194,730	16.4
Middle	377	30.6	381,116	32.0	14,695	3.9	234,675	19.7
Upper	455	37.0	465,419	39.1	8,545	1.8	506,750	42.5
NA	21	1.7	4,103	0.4	490	11.9		
<b>Total</b>	<b>1,231</b>	<b>100.0</b>	<b>1,190,790</b>	<b>100.0</b>	<b>60,648</b>	<b>5.1</b>	<b>1,190,790</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	47,178	4.1	167,573	9.0	33,048	19.7	424,403	22.8
Moderate	197,782	17.3	398,869	21.4	38,629	9.7	298,168	16.0
Middle	385,706	33.7	600,120	32.2	36,203	6.0	353,019	18.9
Upper	510,506	44.6	687,541	36.9	27,923	4.1	788,490	42.3
NA	2,392	0.3	9,977	0.5	1,527	15.3		
<b>Total</b>	<b>1,143,564</b>	<b>100.0</b>	<b>1,864,080</b>	<b>100.0</b>	<b>137,330</b>	<b>7.4</b>	<b>1,864,080</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable

**Assessment Area Demographics**

Washington-Arlington-Alexandria DC-MD-VA (Based on 2021 D&B Information)								
Income Categories*	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	15,254	5.2	14,335	5.3	815	3.6	104	4.2
Moderate	52,143	17.6	47,553	17.5	4,213	18.7	377	15.2
Middle	95,114	32.1	86,884	32.0	7,540	33.5	690	27.9
Upper	131,724	44.5	120,876	44.6	9,727	43.3	1,121	45.3
NA	1,840	0.6	1,464	0.6	193	0.9	183	7.4
<b>Total</b>	<b>296,075</b>	<b>100.0</b>	<b>271,112</b>	<b>100.0</b>	<b>22,488</b>	<b>100.0</b>	<b>2,475</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.6		7.6		0.8

\*NA-Tracts without household or family income as applicable

**Assessment Area Demographics**

Washington-Arlington-Alexandria DC-MD-VA (Based on 2020 D&B Information)								
Income Categories <sup>†</sup>	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	14,546	4.9	13,607	5.0	834	3.6	105	4.5
Moderate	51,855	17.5	47,183	17.5	4,339	18.7	333	14.2
Middle	94,873	32.1	86,420	32.0	7,801	33.6	652	27.9
Upper	132,655	44.8	121,549	45.0	10,036	43.2	1,070	45.8
NA	1,863	0.7	1,483	0.5	202	0.9	178	7.6
<b>Total</b>	<b>295,792</b>	<b>100.0</b>	<b>270,242</b>	<b>100.0</b>	<b>23,212</b>	<b>100.0</b>	<b>2,338</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.4		7.8		0.8

*\*NA-Tracts without household or family income as applicable*

FVCB’s assessment area is predominantly urban and offers a large number and variety of employment opportunities. While the local economy is primarily driven by federal and local government employers, there are also diverse industries contributing to local employment opportunities, including aerospace and defense, manufacturing, healthcare services, and leisure and hospitality. The area’s largest private employers include Accenture National Securities, Capital One Bank, Crosby Corp. (material handling equipment manufacturer), Inova Health Systems, Lockheed Martin, Marriott, McDonald’s, Northrop Grumman International, Micron Technology, and Orbital Sciences Corporation. Recent and historical unemployment rates since the previous evaluation are presented in the following table.

Geographic Area	May 2021	May 2022	May 2023
Alexandria City, VA	4.1%	2.4%	2.1%
Arlington County, VA	3.3%	2.1%	2%
Fairfax City, VA	3.7%	2.5%	2.3%
Fairfax County, VA	3.9%	2.5%	2.3%
Falls Church City, VA	3%	2.2%	2.2%
Loudoun County, VA	3.4%	2.5%	2.4%
Manassas City, VA	4.3%	2.6%	2.4%
Manassas Park City, VA	4.2%	2.5%	2.4%
Prince William County, VA	4.4%	2.8%	2.6%
<b>Commonwealth of Virginia</b>	<b>4.3%</b>	<b>2.9%</b>	<b>2.7%</b>
Montgomery County, MD	5.5%	2.8%	2%
Prince George’s County, MD	7.4%	3.4%	2.3%
<b>State of Maryland</b>	<b>5.7%</b>	<b>3.1%</b>	<b>2.2%</b>
<b>District of Columbia</b>	6.7%	4.3%	4.9%
<b>Washington-Arlington-Alexandria MD</b>	<b>5%</b>	<b>3%</b>	<b>2.7%</b>
<b>Frederick-Gaithersburg-Rockville MD</b>	<b>5.3%</b>	<b>2.8%</b>	<b>2%</b>

As reflected in the table, area unemployment rates have decreased since the previous evaluation, which occurred during the height of the coronavirus disease 2019 (COVID-19) pandemic and resulted in a high level of unemployment during 2019 and 2020. Since 2021, unemployment rates in the bank’s assessment area have steadily declined in both metropolitan divisions, the Commonwealth of Virginia, State of Maryland, and the District of Columbia more broadly.

An official from a local economic development organization was contacted during the evaluation to discuss area economic conditions and community credit needs. The organization offers incentives to small businesses to encourage them to relocate to the area, including access to the Economic Development Opportunity Fund. The fund offers workforce services, site preparation, capital equipment purchases, and/or funds for infrastructure improvements. The contact noted that they are currently seeking to develop partnerships with local financial institutions to extend loans to small businesses, which should include business mentoring in a manner that will foster growth and development of the small business. Additionally, the official indicated that small businesses would benefit from financial literacy training and dissemination of financing opportunities and credit products offered by local institutions. The contact was unaware of any discriminatory or predatory lending practices by financial institutions in the local area.

Overall, discussions with the official from the economic development organization and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are readily available within the bank's assessment area. Despite a highly competitive market, the bank faces no significant constraints in taking advantage of community development opportunities.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON-ARLINGTON-ALEXANDRIA, DC-MD-VA MULTISTATE METROPOLITAN AREA**

### **LENDING TEST**

The institution's overall lending performance within the multistate metropolitan assessment area is rated Low Satisfactory. This conclusion is based primarily on the bank's lending activity, and its geographic and borrower distribution performance, while taking its account the bank's market strategy, area demographic data, and aggregate loan data. The bank's volume of community development loans outperformed its borrower and geographic lending performance during the evaluation period.

FVCB originated and purchased \$213.9 million in residential mortgage loans within the multistate metropolitan area during 2022, while the bank originated \$192.6 million in small business loans during 2020 and 2021. Considering the varying economic conditions between 2020 and 2022, and to account for the fact that the Lending Test includes only one year of residential mortgage lending and two years of small business lending, residential mortgage volume from 2020 and 2021 was also considered to determine the weighting of each product. During 2020 and 2021, the bank originated \$85.3 million in residential mortgage loans within this assessment area, as compared to \$192.6 million in small business loans during the same time-period. Accordingly, FVCB's small business lending performance was given greater weight when evaluating the bank's overall performance.

The small business lending tables included in this section depict the bank's reported small business loans and aggregate data from 2021. In cases where the bank's performance during 2020 varies substantially, the bank and aggregate lending volume is discussed. Refer to **Appendix D** for small business lending tables from 2020.

### **Lending Activity:**

Overall, FVCB's level of lending is good. According to 2021 aggregate data, FVCB ranked 29<sup>th</sup> of 314 reporters in small business lending volume with a .3% market share, while it ranked 27<sup>th</sup> of 325 reporters with a .5% market share during 2020. The bank's residential mortgage market share cannot be considered because the bank was not required to report HMDA data during the evaluation period.

During 2022, the bank originated 193 residential mortgage loans within the assessment area, while it reported originating 1,128 small business loans during 2020 and 2021. The bank’s lending activity within this assessment area during the evaluation period as measured by the number (92.6%) and dollar volume (94.2%) when compared to the proportion of lending in the other assessment area is comparable to the percentage of local deposits (98.2%) and exceeds the percentage of bank branches (88.9%) in the assessment area.

**Geographic Distribution:**

The bank’s geographic distribution performance is considered adequate overall. From a product perspective, FVCB’s geographic distribution performance for residential mortgage lending is considered poor, while its performance for small business lending is considered adequate. As previously noted, the dollar volume of residential mortgage lending from 2020 and 2021 was used to determine the weight of products when deriving an overall performance rating. Given the dollar volume of small business lending (\$192.6 million) as compared to residential mortgage lending (\$85.3 million), more weight was placed on the bank’s small business lending performance in reaching the overall performance conclusion.

**Distribution of Mortgage Loans by Income Level of Census Tract**

Washington-Arlington-Alexandria DC-MD-VA (2022)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	<b>Mortgage Totals</b>							
Low	3	1.6	4,783	2.2	6,734	4.5	3,420,875	4.5
Moderate	14	7.3	10,264	4.8	25,585	17.2	9,950,864	13.0
Middle	49	25.4	59,491	27.8	51,422	34.5	22,295,361	29.2
Upper	126	65.3	136,331	63.7	64,882	43.6	40,499,668	53.0
NA*	1	0.4	3,000	1.5	317	0.2	238,642	0.3
<b>Total</b>	<b>193</b>	<b>100.0</b>	<b>213,869</b>	<b>100.0</b>	<b>148,940</b>	<b>100.0</b>	<b>76,405,410</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

During 2022, the bank’s level of lending in low-income census tracts (1.6%) lagged the percentage of owner-occupied housing units located in such areas (4.1%) and the aggregate level of lending (4.5%). Similarly, FVCB’s level of lending in moderate-income census tracts (7.3%) lagged the percentage of owner-occupied housing units located in such areas (17.3%) and the aggregate level of lending (17.2%). The bank’s geographic distribution performance for residential mortgage loans is considered poor during 2022.

**Distribution of Small Business Loans by Income Level of Census Tract**

Washington-Arlington-Alexandria DC-MD-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	15	3.5	4,761	6.3	8,157	4.9	262,615	4.2
Moderate	52	12.0	9,840	13.1	30,205	18.0	1,110,160	18.0
Middle	155	35.8	25,764	34.2	55,968	33.4	2,079,512	33.6
Upper	204	47.1	32,773	43.5	72,806	43.4	2,701,782	43.7
NA*	7	1.6	2,246	2.9	630	0.3	25,788	0.5
<b>Total</b>	<b>433</b>	<b>100.0</b>	<b>75,384</b>	<b>100.0</b>	<b>167,766</b>	<b>100.0</b>	<b>6,179,857</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable  
Loans where the geographic location is unknown are excluded from this table.

Overall, the bank’s geographic distribution performance for small business loans is considered adequate during 2021. The bank’s level of small business lending in low-income

census tracts (3.5%) approximated the percentage of businesses located in such areas (5.2%) and the aggregate lending level in such tracts (4.9%). FVCB’s level of lending in moderate-income census tracts (12%) lagged the percentage of businesses in such areas (17.6%) and the aggregate lending level (18%). The bank’s performance during 2020 is substantially similar to its performance during 2021.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank’s borrower distribution performance is considered adequate overall. FVCB’s borrower distribution performance for residential mortgage lending is considered very poor, while its performance for small business lending is considered adequate. As previously noted, the dollar volume of residential mortgage lending from 2020 and 2021 (\$85.3 million) was used to determine the weight of products when deriving an overall performance rating. Given the larger dollar volume of small business lending (\$192.6 million), more weight was placed on this product when determining the bank’s lending performance.

**Distribution of Mortgage Loans by Income Level of Borrower**

Washington-Arlington-Alexandria DC-MD-VA (2022)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>Mortgage Totals</b>								
Low	0	0.0	0	0.0	12,446	9.9	2,892,745	4.9
Moderate	4	2.8	1,973	1.6	29,519	23.4	9,728,353	16.5
Middle	16	11.3	9,621	7.6	32,506	25.8	13,484,754	22.8
Upper	122	85.9	115,514	90.8	51,648	40.9	32,979,559	55.8
<b>Total</b>	<b>142</b>	<b>100.0</b>	<b>127,108</b>	<b>100.0</b>	<b>126,119</b>	<b>100.0</b>	<b>59,085,411</b>	<b>100.0</b>
Unknown	51		86,761		22,747		17,319,999	

Percentages (%) are calculated on all loans where incomes are known

The bank’s borrower distribution performance for residential mortgage lending is very poor. In 2022, the bank did not originate any loans to low-income borrowers despite low-income families accounting for 21.4% of all area families, and 9.9% of aggregate lending was to low-income borrowers. FVCB’s lending to moderate-income borrowers (2.8%) substantially lagged both the percentage of moderate-income families in the assessment area (16.4%) and the aggregate lending percentage (23.4%).

**Distribution of Lending by Loan Amount and Size of Business**

Washington-Arlington-Alexandria DC-MD-VA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	34	7.9	11,330	15.0	80,104	47.6	1,727,340	27.9
Over \$1 Million	55	12.7	18,124	24.0	NA	NA	NA	NA
Unknown	344	79.4	45,930	61.0	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	235	54.3	9,370	12.4	155,909	92.7	2,352,779	38.0
\$100,001-\$250,000	108	24.9	16,803	22.3	6,859	4.1	1,098,554	17.8
\$250,001-\$1 Million	90	20.8	49,211	65.3	5,401	3.2	2,732,954	44.2
<b>Total</b>	<b>433</b>	<b>100.0</b>	<b>75,384</b>	<b>100.0</b>	<b>168,169</b>	<b>100.0</b>	<b>6,184,287</b>	<b>100.0</b>

\* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Overall, the bank’s distribution by borrower revenue performance is considered adequate during 2021, and its performance during 2020 is similar. D&B data from 2021 indicates that 91.6% of

all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans considered in the evaluation, 7.9% 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 large volume of loans for which borrower revenue was unknown (i.e., 79.4% 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, less than a majority (38.2%) 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, 47.6% 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 loans, which limits its impact as a proxy when evaluating the bank’s performance.

Because smaller 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 54.3% of its small business loans in amounts of \$100,000 or less which lagged the aggregate reporter level of such lending (92.7%). 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 FVCB is a commercial lender that originates small business loans, it does not directly originate business credit cards. The difference between FVCB’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 PPP Small Business Loans with Unknown Revenue by Loan Size**

<b>Washington-Arlington-Alexandria, DC-MD-VA (2021)</b>				
<b>Loan Size</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
\$100,000 or less	202	59.8%	7,306	16.4%
>\$100,000 to \$250,000	91	26.9%	14,000	31.4%
>\$250,000 to \$1,000,000	45	13.3%	23,334	52.3%
<b>Total</b>	<b>338</b>	<b>100%</b>	<b>44,640</b>	<b>100%</b>

Within the assessment area, a majority (59.8%) 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 in the assessment area.

**Community Development Loans:**

During the evaluation period, the bank made a high level of community development loans in relation to bank capacity and available opportunities. The following table summarizes the bank’s community development lending during the evaluation period. While the bank originated additional community development loans in this assessment area during the review period, such loans are required to be reported as HMDA or small business loans and cannot also be counted as community development loans.

<b>CRA Loan Purpose</b>	<b>#</b>	<b>\$ (000s)</b>
Affordable Housing	12	\$35,932
Economic Development	3	\$9,390
<b>Total</b>	<b>15</b>	<b>\$45,322</b>

Information from an individual knowledgeable of the local market area and review of the performance evaluations of other financial institutions having a local presence indicate that a variety of community development opportunities are readily available within this assessment area, and the bank’s capacity for additional lending, including community development lending, is not constrained.

**INVESTMENT TEST**

The bank’s level of responding to community development needs through its investment activities is poor. Through its qualified community development investment activity, FVCB makes rare use of innovative and/or complex investments, and the bank demonstrates poor responsiveness to credit and community development needs through its investment activity.

The following table summarizes the bank’s community development investments and grants made during the evaluation period along with activity from prior periods still outstanding as of the date of this evaluation that benefit the assessment area and broader statewide area including the assessment area.

<b>CRA Investment Purpose</b>	<b>#</b>	<b>\$</b>
Affordable Housing Loan Pool	1	\$480,844
Donations	3	\$4,000
<b>Total</b>	<b>4</b>	<b>\$484,844</b>

Information from an individual knowledgeable of the bank’s assessment areas and review of the performance evaluations of other banks operating in FVCB’s assessment area indicate that investment opportunities are readily available. Internally, the bank has sufficient capacity to make additional qualified investments.

**SERVICE TEST**

The bank’s performance under the Service Test is rated High Satisfactory overall within the Washington-Arlington-Alexandria, DC-MD-VA multistate metropolitan area.

**Retail Services:**

Delivery systems are accessible to individuals and census tracts of varying income levels in the assessment area. Currently, the bank operates eight branches within the assessment area. Two (25%) of the bank’s branch locations are located within moderate-income census tracts, and four branches are near (within two miles) other low- and moderate-income census tracts.



According to current (2020) ACS data, 9% of area households are in low-income census tracts, while 21.4% are in moderate-income census tracts. Current (2022) D&B data indicate that 5% and 18.7% of all area businesses are located in low- and moderate-income census tracts, respectively.

ATMs are also available and, through a network, provide customers with 24-hour nationwide access. Bank by-mail and internet-based banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system. The institution also continues to offer no-cost checking products to individuals as well as low-cost checking to businesses within the community. These accounts can benefit all segments of the community, including low- and moderate-income individuals and small businesses.

Changes in branch locations have not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income areas and people. In September 2020, the bank closed two branches within this assessment area. The following table provides information about the bank’s branching activities.

Assessment Area	Name	Date	Activity	Census Tract Income Level
Washington-Arlington-Alexandria, DC-MD-VA	Ashburn	September 30, 2020	Closed	Upper
Washington-Arlington-Alexandria, DC-MD-VA	Silver Spring	September 30, 2020	Closed	Middle*

\* Census tract income level was moderate when the branch closed; however, the census tract income level changed to middle-income following the release of the 2020 ACS data.

When the bank closed its Silver Spring branch, the branch was located in a moderate-income census tract based on 2015 ACS data. When the 2020 ACS data was released, the census tract where the Silver Spring branch was located was reclassified as middle-income following demographic changes in the census tract, so the branch closures impact on low- and moderate people and areas was limited. Customers of the Silver Spring branch were also encouraged to use the nearby Bethesda branch located approximately 3.75 miles away.

Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. Branch offices are generally open until 5:00 p.m. Monday through Friday.

**Community Development Services:**

The bank and its employees provide a high level of community development service activities that support local organizations whose operations benefit low- and moderate-income people and/or promote small business development. These activities included the following during the evaluation period.

Affordable Housing

Prince William County Habitat for Humanity

Economic Development

Certified Development Company (CDC) loan advisory committee  
Fairfax County Consolidated Community Funding Pool

Services Targeted to Low- and Moderate-Income People  
American Bankers Association's "Teach Children to Save"  
Holy Cross Health Foundation  
Ronald McDonald House of Greater Washington, D.C.  
Vehicles for Change – Northern Virginia Families Services

Based on information from an individual in the community that was contacted to discuss local needs and information included in the CRA evaluations of other institutions operating in this assessment area, community development opportunities are reasonably available. In addition, the bank has sufficient capacity to participate in such activities.

## STATE OF MARYLAND

### ***CRA Rating for Maryland<sup>3</sup>: NEEDS TO IMPROVE***

***The Lending Test is rated: Low Satisfactory***

***The Investment Test is rated: Substantial Noncompliance***

***The Service Test is rated: Needs to Improve***

Major factors supporting the rating include:

- Lending levels reflect adequate responsiveness to assessment area credit needs.
- The bank's geographic distribution performance varies by product within the assessment area and is considered adequate overall.
- The bank's borrower distribution performance varies by product within the assessment area and is considered poor overall.
- The bank exhibits an adequate record of serving the needs of businesses in low-income areas and very small businesses, while the bank's residential mortgage lending to low-income people and areas is very poor. Overall, the bank's performance is adequate because greater weight is placed on the bank's small business lending performance because of its larger dollar volume of lending.
- The bank funded a relatively high level of community development loans in the assessment area and broader statewide area during the evaluation period and makes use of flexible lending practices to meet credit needs.
- Relative to the available investment opportunities and bank capacity, FVCB's level of qualified investments reflects very poor performance.
- Delivery systems and branch locations are reasonably accessible within the assessment area. Retail banking services do not vary in a way that inconveniences the bank's assessment areas, particularly to low- and moderate-income areas and people.
- The bank did not open or close any branches since the previous evaluation within this assessment area.
- The bank and its employees provide a limited level of community development services within the broader statewide area that includes its assessment area since the previous evaluation.

### **SCOPE OF EXAMINATION**

The evaluation incorporates an analysis of all residential mortgage loans originated and purchased by the bank during 2022. From a loan purpose perspective, this universe of residential mortgage loans includes all home purchase, refinance, home improvement, and multifamily-secured loans originated and purchased by the bank during 2022. During 2020, 2021, and 2022, FVCB did not report Home Mortgage Disclosure Act (HMDA) residential mortgage loan data because its origination volume was below the regulation's volume threshold for reporting.

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<sup>3</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained in the multistate metropolitan area.

FVCB is required to collect and report data for small business loans in accordance with the CRA; therefore, the evaluation also incorporates an analysis of all CRA data reported during calendar years 2020 and 2021.

Qualified community development loans that were originated or renewed from August 3, 2020, the date of the most recent CRA evaluation, through July 31, 2023 (i.e., the evaluation period), are also considered for this evaluation. All qualified community development services provided since the previous evaluation, all qualified investments made during the evaluation period, and those investments outstanding as of the date the evaluation began, regardless of when made, were also considered.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN MARYLAND**

FVCB operates one branch within the Baltimore-Columbia-Towson, MD assessment area. The assessment area includes all census tracts within Baltimore County and Baltimore City, Maryland, which are part of the Baltimore-Columbia-Towson, MD metropolitan statistical area.

As of June 30, 2022, the institution ranked 26<sup>th</sup> out of 31 financial institutions in deposit market share with <.1% of the assessment area’s available FDIC insured deposits (credit union deposits are not included).

According to 2020 ACS data, the assessment area has a population of approximately 1.4 million and a median housing value of \$235,732. The owner-occupancy rate for the assessment area (51.3%) is lower than the rate in the Baltimore-Columbia-Towson, MD Metropolitan Statistical Area (MSA) of 60.8% and in the State of Maryland (60.8%). Within the assessment area, 9.4% of families are below the poverty level, which is higher than the percentage in both the MSA (6.4%) and in the State of Maryland (5.9%). The following table details applicable median family income data from 2020, 2021, and 2022.

Geographic Area	Median Family Incomes		
	2020	2021	2022
Baltimore-Columbia-Towson, MD MSA	\$104,000	\$105,100	\$116,100

The following tables provide pertinent information for the assessment area.

**Assessment Area Demographics**

Baltimore-Columbia-Towson, MD (Based on 2020 ACS Data)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	77	18.4	42,956	13.3	11,399	26.5	94,829	29.4
Moderate	130	31.1	106,824	33.1	11,363	10.6	62,142	19.3
Middle	125	29.9	108,167	33.5	5,238	4.8	66,710	20.7
Upper	73	17.5	61,651	19.1	1,237	2.0	98,846	30.6
NA	13	3.1	2,929	1.0	990	33.8		
<b>Total</b>	<b>418</b>	<b>100.0</b>	<b>322,527</b>	<b>100.0</b>	<b>30,227</b>	<b>9.4</b>	<b>322,527</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	28,962	8.9	78,969	14.2	24,145	30.6	179,124	32.1
Moderate	98,675	30.4	188,401	33.8	26,348	14.0	101,099	18.1
Middle	119,819	37.0	180,183	32.3	16,263	9.0	98,860	17.7
Upper	74,780	23.1	103,312	18.5	5,982	5.8	178,763	32.1
NA	1,887	0.6	6,981	1.2	2,255	32.3		
<b>Total</b>	<b>324,123</b>	<b>100.0</b>	<b>557,846</b>	<b>100.0</b>	<b>74,993</b>	<b>13.4</b>	<b>557,846</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable

**Assessment Area Demographics**

Baltimore-Columbia-Towson, MD (Based on 2021 D&B Information)								
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	6,349	10.1	5,771	10.1	534	10.7	44	9.6
Moderate	16,823	26.8	15,540	27.1	1,186	23.8	97	21.1
Middle	23,033	36.7	20,931	36.5	1,930	38.7	172	37.5
Upper	15,731	25.1	14,380	25.1	1,208	24.3	143	31.2
NA	802	1.3	676	1.2	123	2.5	3	0.6
<b>Total</b>	<b>62,738</b>	<b>100.0</b>	<b>57,298</b>	<b>100.0</b>	<b>4,981</b>	<b>100.0</b>	<b>459</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.3</b>		<b>7.9</b>		<b>0.8</b>

\*NA-Tracts without household or family income as applicable

**Assessment Area Demographics**

<b>Baltimore-Columbia-Towson, MD</b> <i>(Based on 2020 D&amp;B Information)</i>								
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	6,314	10.0	5,719	9.9	554	10.8	41	9.1
Moderate	16,824	26.6	15,489	26.8	1,237	24.0	98	21.8
Middle	23,225	36.7	21,095	36.5	1,968	38.2	162	36.0
Upper	16,123	25.5	14,717	25.5	1,259	24.5	147	32.7
NA	856	1.2	723	1.3	131	2.5	2	0.4
<b>Total</b>	<b>63,342</b>	<b>100.0</b>	<b>57,743</b>	<b>100.0</b>	<b>5,149</b>	<b>100.0</b>	<b>450</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.2		8.1		0.7

\*NA-Tracts without household or family income as applicable

The Baltimore-Columbia-Towson, MD assessment area is predominantly urban and offers a large number and variety of employment opportunities. The local economy is primarily driven by diverse industries contributing to local employment opportunities, including manufacturing, healthcare services, leisure and hospitality. The area’s largest private employers include AAi Corp. (aerospace and defense manufacturing), Cristal USA (chemical manufacturing), Giant Food, Johns Hopkins University and Healthcare, Kennedy Krieger Institute (medical facility), McDonald’s, Med Star Good Samaritan and Union Memorial Hospitals, Prometric (assessment/testing administration), Sheppard Pratt Health System, Stephen James Associates (workforce development), and Under Armour. Recent and historical unemployment rates since the previous evaluation are presented in the following table.

<b>Geographic Area</b>	<b>May 2021</b>	<b>May 2022</b>	<b>May 2023</b>
Baltimore City, VA	7.5%	4%	3%
Baltimore County, VA	5.6%	3.2%	2.3%
<b>Baltimore-Columbia-Towson, MD MSA</b>	<b>5.3%</b>	<b>3.1%</b>	<b>2.2%</b>
<b>State of Maryland</b>	<b>5.7%</b>	<b>3.1%</b>	<b>2.2%</b>

As reflected in the table, area unemployment rates have decreased since the previous evaluation, which occurred during the height of the COVID-19 pandemic and resulted in a high level of unemployment during 2019 and 2020. Since 2021, unemployment rates in the bank’s assessment area have steadily declined in the assessment area and larger MSA and statewide area.

An official from a local economic development organization was contacted during the evaluation to discuss area economic conditions and community credit needs. The organization helps support Latinos and other underserved communities and start-ups and/or existing businesses having difficulty obtaining credit. They receive support from government agencies, nonprofits, foundations, and corporate entities, including numerous financial institutions. The contact noted that there is a need for educating small and/or minority-owned businesses about unique grants and loan programs available to them as well as a need for consulting and mentorship programs for small businesses on a long-term basis. The individual contacted indicated area financial institutions support the local community. Overall, information from an individual knowledgeable of the local community and reviews of the performance evaluations of other financial institutions having a local presence indicate

that community development opportunities are readily available within the bank's assessment area. Despite a highly competitive market, the bank faces no significant constraints in taking advantage of community development opportunities. However, with one branch and one LPO in the assessment area, the bank's staff presence is limited in the assessment area.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MARYLAND**

### **LENDING TEST**

The bank's overall lending performance within the Baltimore-Columbia-Towson, MD assessment area is rated Low Satisfactory. This conclusion is based primarily on the bank's lending activity, and its geographic and borrower distribution performance, while taking into account the bank's market strategy, area demographic data, and aggregate loan data. The bank's volume of community development lending outperformed the other components of the Lending Test during the evaluation period.

FVCB originated \$11.5 million in residential mortgage loans within the Baltimore-Columbia-Towson, MD assessment area during 2022, while the bank originated \$13.5 million in small business loans during 2020 and 2021. Considering the varying economic conditions between 2020 and 2022, and to account for the Lending Test including one year of residential mortgage lending and two years of small business lending, residential mortgage volume from 2020 and 2021 was considered in order to determine the weighting of each product. During 2020 and 2021, the bank originated and purchased \$22.9 million in residential mortgage loans within this assessment area, as compared to \$13.5 million in reported small business loans during the same time-period. Accordingly, FVCB's residential mortgage lending performance was given greater weight when evaluating the bank's overall performance.

The small business lending tables included in this section depict the bank's reported small business loans and aggregate data from 2021. In cases where the bank's performance during 2020 varies substantially, the bank and aggregate lending volume is discussed. Refer to **Appendix D** for small business lending tables from 2020.

#### **Lending Activity:**

Lending levels reflect adequate responsiveness in relation to assessment area credit needs. According to 2021 aggregate data, FVCB ranked 49<sup>th</sup> of 173 reporters in small business lending volume with .1% of the market share, while it ranked 37<sup>th</sup> of 186 reporters with .2% of the market share during 2020. The bank's residential mortgage market share cannot be considered because the bank was not required to report such data during the evaluation period.

During 2022, the bank originated 11 residential mortgage loans within the assessment area, while it reported originating 94 small business loans during 2020 and 2021. The bank's lending activity within this assessment area during the evaluation period as measured by the number (7.4%) and dollar volume (5.8%) exceeds the percentage of local deposits (1.8%), but lags the percentage of bank branches (11.1%) in the assessment area.

#### **Geographic Distribution:**

The bank's geographic distribution performance is considered adequate overall. From a product perspective, its residential mortgage geographic distribution performance is considered poor, and its small business loan performance is good. While more weight was placed on the residential mortgage loan performance because of its larger dollar volume

(\$22.9 million) than small business lending (\$13.5 million) during 2020 and 2021, the relative strength of each product is also a factor when determining overall performance. In this case, despite representing a smaller dollar volume, the strength of the small business performance is substantially greater than the residential mortgage performance.

**Distribution of Mortgage Loans by Income Level of Census Tract**

Baltimore-Columbia-Towson, MD (2022)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>Mortgage Totals</b>								
Low	0	0.0	0	0.0	3,847	10.0	736,620	6.6
Moderate	2	18.2	557	4.9	11,775	30.5	2,775,606	24.9
Middle	2	18.2	1,976	17.3	13,640	35.3	4,084,139	36.6
Upper	7	63.6	8,918	77.8	9,029	23.4	3,490,596	31.3
NA*	0	0.0	0	0.0	347	0.8	70,380	0.6
<b>Total</b>	<b>11</b>	<b>100.0</b>	<b>11,451</b>	<b>100.0</b>	<b>38,638</b>	<b>100.0</b>	<b>11,157,341</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

The bank’s geographic distribution performance for residential mortgage loans is considered poor during 2022. During 2022, the bank originated no (0%) residential mortgage loans in low-income census tracts, while the percentage of owner-occupied housing units located in such areas equaled 8.9% and the percentage of aggregate equaled 10%. The demographic and aggregate both indicate that lending opportunities exist within low-income census tract. Also, FVCB’s level of lending in moderate-income census tracts (18.2%) significantly lagged the percentage of owner-occupied housing units located in such areas (30.4%) and the aggregate level of lending (30.5%).

**Distribution of Small Business Loans by Income Level of Census Tract**

Baltimore-Columbia-Towson, MD (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	0	0.0	0	0.0	3,825	9.7	164,626	10.7
Moderate	12	30.8	3,738	52.1	10,268	26.1	353,244	22.9
Middle	14	35.9	1,885	26.3	15,190	38.6	599,123	38.9
Upper	13	33.3	1,547	21.6	9,762	24.8	398,157	25.8
NA*	0	0.0	0	0.0	353	0.8	25,940	1.7
<b>Total</b>	<b>39</b>	<b>100.0</b>	<b>7,170</b>	<b>100.0</b>	<b>39,398</b>	<b>100.0</b>	<b>1,541,090</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

Overall, the bank’s geographic distribution performance for small business loans is considered adequate during 2021. The bank originated no (0%) small business loans in low-income census tracts, while the percentage of businesses in such areas equaled 10.1%, which approximated the aggregate lending level (9.7%). Conversely, the bank’s level of lending in moderate-income census tracts (30.8%) approximated the percentage of businesses in such areas (26.8%) and the aggregate lending level (26.1%).



During 2020, the bank’s geographic distribution performance for small business loans is considered good. The bank originated 55 small business loans totaling \$6.3 million. Of these loans, six loans (10.9%) totaling \$1.5 million (24.1%) were in low-income census tracts, which approximated the percentage of businesses in such areas (10%), and the aggregate lending level (8.7%). The bank also originated 13 loans (23.6%) totaling \$1.5 million (23.7%) in moderate-income census tracts, which also approximated the percentage of businesses in such areas (26.6%) and the aggregate lending level (24.5%).

During 2020 and 2021 combined, the bank’s overall performance is considered good. While slightly more weight was placed on the bank’s small business lending performance during 2021 because of the larger dollar volume of lending, the strength of performance from each year was also a factor, and the bank’s performance during 2020 was materially stronger than its performance during 2021.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank’s borrower distribution performance is considered poor overall. From a product perspective, FVCB’s residential mortgage loan performance is considered very poor, while its small business performance is considered adequate.

**Distribution of Mortgage Loans by Income Level of Borrower**

Baltimore-Columbia-Towson, MD (2022)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>Mortgage Totals</b>								
Low	0	0.0	0	0.0	5,765	18.9	958,379	11.9
Moderate	0	0.0	0	0.0	9,264	30.4	2,092,805	26.1
Middle	0	0.0	0	0.0	7,347	24.1	1,951,694	24.3
Upper	1	100.0	900	100.0	8,078	26.6	3,023,926	37.7
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>900</b>	<b>100.0</b>	<b>30,454</b>	<b>100.0</b>	<b>8,026,804</b>	<b>100.0</b>
Unknown	10		10,551		8,184		3,130,537	

*Percentages (%) are calculated on all loans where incomes are known*

The bank’s borrower distribution performance for residential mortgage lending is very poor. During 2022, the bank did not originate any loans to low- or moderate-income borrowers. However, demographic and aggregate data both indicate that lending opportunities exist with low- and moderate-income borrowers. ACS data from 2020, indicates that 29.4% and 19.3% of all area families are low- and moderate-income, respectively. As indicated in the table, 18.9% and 30.4% of all aggregate reported residential mortgage loans were to low- and moderate-income borrowers, respectively. During 2022 within this assessment area, ten of the 11 originated/purchased loans by the bank were to business borrowers or for business purposes. Businesses and business purpose loans have revenue but do not have borrower income. The only loan having borrower income was to an upper-income borrower.

**Distribution of Lending by Loan Amount and Size of Business**

Baltimore-Columbia-Towson, MD (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	6	15.4	3,410	47.6	17,517	44.4	420,270	27.3
Over \$1 Million	3	7.7	1,243	17.3	NA	NA	NA	NA
Unknown	30	76.9	2,517	35.1	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	22	56.4	1,023	14.3	36,351	92.1	560,372	36.3
\$100,001-\$250,000	9	23.1	1,439	20.1	1,793	4.5	285,093	18.5
\$250,001-\$1 Million	8	20.5	4,708	65.6	1,331	3.4	696,277	45.2
<b>Total</b>	<b>39</b>	<b>100.0</b>	<b>7,170</b>	<b>100.0</b>	<b>39,475</b>	<b>100.0</b>	<b>1,541,742</b>	<b>100.0</b>

\* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

Overall, the bank’s distribution by borrower revenue performance is considered adequate during 2021, and its performance during 2020 is similar. D&B data from 2021 indicates that 91.3% of all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans considered in the evaluation, 15.4% 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 large volume of loans for which borrower revenue was unknown (i.e., 76.9% 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 (66.7%) 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, 44.4% 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 loans, which limits its impact as a proxy when evaluating the bank’s performance.

Because smaller 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 56.4% of its small business loans in amounts of \$100,000 or less which lagged the aggregate reporter level of such lending (92.1%). 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 FVCB is a commercial lender that originates small business loans, it does not directly originate business credit cards. The difference between FVCB’s business model/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 PPP Small Business Loans with Unknown Revenue by Loan Size**

<b>Baltimore-Columbia-Towson, MD (2021)</b>				
<b>Loan Size</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
\$100,000 or less	21	70.0%	923	36.7%
>\$100,000 to \$250,000	8	26.7%	1,296	51.5%
>\$250,000 to \$1,000,000	1	3.3%	298	11.8%
<b>Total</b>	<b>30</b>	<b>100%</b>	<b>2,517</b>	<b>100%</b>

Within the assessment area, a majority (70%) 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 in the assessment area.

**Community Development Loans:**

During the evaluation period, the bank made a high level of community development loans in relation to bank capacity and available opportunities within this assessment area and larger statewide area. The following table summarizes the bank’s community development lending during the evaluation period. While the bank originated additional community development loans in this assessment area during the review period, such loans are required to be reported as HMDA or small business loans and cannot also be counted as community development loans.

<b>CRA Loan Purpose</b>	<b>#</b>	<b>\$ (000s)</b>
Affordable Housing	15	\$17,216
<b>Total</b>	<b>15</b>	<b>\$17,216</b>

Information from an individual knowledgeable of the local market area and review of the performance evaluations of other financial institutions having a local presence indicate that a variety of community development opportunities are readily available within this assessment area, and the bank’s capacity for additional lending, including community development lending, is not constrained.

**INVESTMENT TEST**

The bank’s level of responding to community development needs through its investment activities is very poor. During the evaluation period, the bank neither made nor held any qualified investments nor made any qualified donations that benefit the Baltimore-Columbia-Towson, MD assessment area.

Information from an individual knowledgeable of the bank’s assessment areas and review of the performance evaluations of other banks operating in FVCB’s assessment area indicate that investment opportunities are readily available. Internally, the bank has sufficient capacity to make additional qualified investments.

**SERVICE TEST**

The bank’s performance under the Service Test is rated Needs to Improve overall within the State of Maryland.

**Retail Services:**

Delivery systems are reasonably accessible to individuals and census tracts of varying income levels in the assessment area. Currently, the bank operates one branch within the assessment area, which is located within a middle-income census tract and one LPO, which is located in a moderate-income census tract. While the branch is not located within a low- or moderate-income census tract, it is within two miles of several low- and moderate-income census tracts. For context, 14.2% and 33.8% of all area households and 8.9% and 28.7% of all area businesses are in low- and moderate-income census tracts, respectively, according to 2020 ACS and 2022 D&B data.

ATMs are also available and, through a network, provide customers with 24-hour nationwide access. Bank by-mail and internet-based banking services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system. The institution also continues to offer no-cost checking products to individuals as well as low-cost checking to businesses within the community. These accounts can benefit all segments of the community, including low- and moderate-income individuals and small businesses.

Changes in branch locations have not adversely affected the accessibility of delivery systems, particularly to low- and moderate-income areas and people. As previously noted, the bank did not open or close any branch offices in this assessment area during the evaluation period. As noted in the table below, the bank closed one LPO and opened one LPO during the review period. The LPO that was opened is in a moderate-income census tract. While opening of this LPO improved accessibility to the bank’s commercial lending services, it provides no additional benefit for deposit services since the LPO cannot offer deposit services.

Assessment Area	Name	Date	Activity	Census Tract Income Level
Baltimore-Columbia-Towson, MD	Towson LPO	December 14, 2022	Opened	Moderate
Baltimore-Columbia-Towson, MD	Lutherville LPO	December 13, 2022	Closed	Middle

Bank services and branch hours do not vary in a way that inconveniences low- and moderate-income people or census tracts within the assessment area. FVCB’s one branch office is open until 5:00 p.m. Monday through Friday.

**Community Development Services:**

The bank and its employees provide a limited level of community development service activities that support local organizations whose operations benefit low- and moderate-income people and/or promote small business development.

During the evaluation period, the bank’s participation in community development service activities were limited to one service activity targeted to low- and moderate-income people that benefited both of the bank’s assessment area and the larger regional area including its assessment areas.

Based on information from an individual in the community that was contacted to discuss local needs and information included in the CRA evaluations of other institutions operating in this assessment area, community development opportunities are reasonably available. In addition, the bank has sufficient capacity to participate in such activities.

**CRA APPENDIX A**  
**SCOPE OF EXAMINATION**

<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED<sup>4</sup></b>	<b>OTHER INFORMATION</b>
Washington-Arlington-Alexandira-DC-MD-VA	Full-Scope	11325 Random Hills Rd Fairfax, VA 22030	A majority of the bank's operations are located in this assessment area
Baltimore-Columbia-Towson, MD	Full-Scope	None	None

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<sup>4</sup> 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**

**Summary of State and Multistate MSA Ratings**

<b>State or Multistate Metropolitan Area Name</b>	<b>Lending Test Rating</b>	<b>Investment Test Rating</b>	<b>Service Test Rating</b>	<b>Overall Rating</b>
Washington-Arlington-Alexandria, DC-MD-VA	Low Satisfactory	Needs to Improve	High Satisfactory	Satisfactory
State of Maryland	Low Satisfactory	Substantial Noncompliance	Needs to Improve	Needs to Improve

**CRA APPENDIX C**

**Loan, Branch, and Deposit Volume by Assessment Area**

The following table includes the distribution of FVCB’s branch offices, along with deposit and loan volume. The deposit volume includes all bank deposits and is current as of June 30, 2022, while the loan volume includes residential mortgage loans and all reported small business loans considered in the evaluation.

Assessment Area	Loan Volume				Full-Service Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Washington-Arlington-Alexandria, DC-MD-VA	1,321	92.6%	\$406,435	94.2%	8	88.9%	\$1,893,842	98.2%
Baltimore-Columbia-Towson, MD	105	7.4%	\$24,939	5.8%	1	11.1%	\$34,432	1.8%
<b>TOTAL</b>	<b>1,426</b>	<b>100%</b>	<b>\$431,374</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>\$1,928,274</b>	<b>100%</b>

**CRA APPENDIX D**

**2020 Geographic and Borrower Distribution Tables**

The following tables detail the bank and aggregate lender’s reported small business lending from 2020.

**Washington-Arlington-Alexandria, DC-MD-VA Multistate Metropolitan Area:**

**Geographic Distribution**

**Distribution of Small Business Loans by Income Level of Census Tract**

Washington-Arlington-Alexandria DC-MD-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	18	2.6	2,820	2.4	6,262	4.3	310,308	3.8
Moderate	85	12.2	14,750	12.6	25,256	17.4	1,432,903	17.7
Middle	257	37.0	49,555	42.3	47,371	32.6	2,750,503	33.9
Upper	329	47.3	48,559	41.4	65,672	45.2	3,570,992	44.1
NA*	6	0.9	1,498	1.3	628	0.5	39,040	0.5
<b>Total</b>	<b>695</b>	<b>100.0</b>	<b>117,182</b>	<b>100.0</b>	<b>145,189</b>	<b>100.0</b>	<b>8,103,746</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

**Borrower Distribution**

**Distribution of Lending by Loan Amount and Size of Business**

Washington-Arlington-Alexandria DC-MD-VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	39	5.6	11,022	9.4	64,007	44.0	2,059,521	25.4
Over \$1 Million	48	6.9	17,434	14.9	NA	NA	NA	NA
Unknown	608	87.5	88,726	75.7	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	390	56.1	15,022	12.8	127,700	87.8	2,568,950	31.6
\$100,001-\$250,000	165	23.7	27,025	23.1	9,997	6.9	1,612,446	19.9
\$250,001-\$1 Million	140	20.2	75,135	64.1	7,827	5.3	3,936,040	48.5
<b>Total</b>	<b>695</b>	<b>100.0</b>	<b>117,182</b>	<b>100.0</b>	<b>145,524</b>	<b>100.0</b>	<b>8,117,436</b>	<b>100.0</b>

\* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

**Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size**

Washington-Arlington-Alexandria, DC-MD-VA (2020)				
Loan Size	#	%	\$(000s)	%
\$100,000 or less	333	59.6%	12,204	15.3%
>\$100,000 to \$250,000	135	24.2%	21,602	27.1%
>\$250,000 to \$1,000,000	91	16.3%	45,971	57.6%
<b>Total</b>	<b>559</b>	<b>100%</b>	<b>79,777</b>	<b>100%</b>



**Baltimore-Columbia-Towson, MD Assessment Area:**

**Geographic Distribution**

**Distribution of Small Business Loans by Income Level of Census Tract**

Baltimore-Columbia-Towson, MD (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	6	10.9	1,522	24.1	2,963	8.7	190,560	9.5
Moderate	13	23.6	1,495	23.7	8,385	24.5	454,105	22.7
Middle	19	34.5	1,880	29.8	13,002	38.1	779,275	38.9
Upper	17	31.0	1,421	22.4	9,484	27.7	537,227	26.8
NA*	0	0.0	0	0.0	325	1.0	41,241	2.1
<b>Total</b>	<b>55</b>	<b>100.0</b>	<b>6,318</b>	<b>100.0</b>	<b>34,159</b>	<b>100.0</b>	<b>2,002,408</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

**Borrower Distribution**

**Distribution of Lending by Loan Amount and Size of Business**

Baltimore-Columbia-Towson, MD (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	5	9.1	1,615	25.6	14,345	41.9	507,394	25.3
Over \$1 Million	2	3.6	450	7.1	NA	NA	NA	NA
Unknown	48	87.3	4,253	67.3	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	33	60.0	973	15.4	29,669	86.6	609,749	30.4
\$100,001-\$250,000	14	25.5	2,362	37.4	2,666	7.8	427,986	21.3
\$250,001-\$1 Million	8	14.5	2,983	47.2	1,913	5.6	967,884	48.3
<b>Total</b>	<b>55</b>	<b>100.0</b>	<b>6,318</b>	<b>100.0</b>	<b>34,248</b>	<b>100.0</b>	<b>2,005,619</b>	<b>100.0</b>

\* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

**Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size**

Baltimore-Columbia-Towson, MD (2020)				
Loan Size	#	%	\$(000s)	%
\$100,000 or less	30	66.7%	910	21.7%
>\$100,000 to \$250,000	10	22.2%	1,589	37.9%
>\$250,000 to \$1,000,000	5	11.1%	1,691	40.4%
<b>Total</b>	<b>45</b>	<b>100%</b>	<b>4,190</b>	<b>100%</b>

## CRA APPENDIX E

### 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.