# COMMUNITY REINVESTMENT ACT PUBLIC FILE

*As of June 30, 2026*

**Capon Valley Bank**
**2 W. Main Street, Wardensville, WV 26851**
**www.caponvalleybank.com**

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# 1. Community Reinvestment Act Notices

CAPON VALLEY Bank
"YOUR GOOD NEIGHBOR BANK"

# *COMMUNITY REINVESTMENT ACT NOTICE*

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today by reviewing the public file which is available at: Caponvalleybank.com/cra

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from

Regional Director, FDIC,
10 10th Street NW, Suite 800,
Atlanta, GA 30309-3849.

You may send written comments about our performance in helping to meet community credit needs to:

**Michael A. McDonald, CEO**
**Capon Valley Bank**
**P. O. Box 119, Wardensville, WV, 26851**

and to FDIC Regional Director. You may also submit comments electronically through the FDIC's website at www.fdic.gov/regulations/cra.

Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public. You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of **Highlands Bankshares, Inc**., a bank holding company. You may request from Officer in Charge of Supervision, Federal Reserve Bank of Richmond, P. O. Box 27622, Richmond, Virginia, 23261, an announcement of applications covered by the CRA filed by bank holding companies.

# *COMMUNITY REINVESTMENT ACT NOTICE*

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Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA. You may review today the public section of our most recent CRA evaluation, prepared by the FDIC, and a list of services provided at this branch. You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us: (1) a map showing the assessment area containing this branch, which is the area in which the FDIC evaluates our CRA performance in this community; (2) information about our branches in this assessment area; (3) a list of services we provide at those locations; (4) data on our lending performance in this assessment area; and (5) copies of all written comments received by us that specifically relate to our CRA performance in this assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

If you would like to review information about our CRA performance in other communities served by us, the public file for our entire bank is available at our main office at 2 West Main Street, Wardensville, WV 26851.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, FDIC, 10 10th Street NW, Atlanta, GA 30309-3849. You may send written comments about our performance in helping to meet community credit needs to **Michael A. McDonald, CEO, P. O. Box 119, Wardensville, WV, 26851**, and the FDIC Regional Director. You may also submit comments electronically through the FDIC's website at www.fdic.gov/regulations/cra. Your letter, together with any response by us, will be considered by the Federal Reserve System in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of **Highlands Bankshares, Inc**., a bank holding company. You may request from Officer in Charge of Supervision, Federal Reserve Bank of Richmond, P. O. Box 27622, Richmond, Virginia, 23261, an announcement of applications covered by the CRA filed by bank holding companies.

# 2. Community Reinvestment Act Statement for Local Communities Served by Capon Valley Bank

1. The Bank affirms its continuing intention of determining and helping to meet the credit needs of its local community and communities, including low and moderate income neighborhoods, consistent with the safe and sound operations of the bank.

2. The local community served by Capon Valley Bank has been delineated by the bank's Board of Directors in compliance with the Community Reinvestment Act of 1977 and the regulations applicable to this bank. This delineation is not intended to exclude service to customers outside of this local community.

   - **Basis of Existing Boundaries**: The local community delineation is based upon the existing boundaries for Hardy County, WV and Hampshire County, WV within the bank's traditional geographical market area, and Frederick County, VA and the City of Winchester, VA upon the establishment of branches in or near those areas over 10 years ago.

   - **Boundaries of Local Community (See attached maps based on the 2025 Census.)**: (1) Census tracts located in Hampshire County, WV (9 tracts) designated as 9682.00-9686.00; (2) Census tracts in Hardy County, WV (5 tracts) designated as 9701.01-9703.00; (3) Census tracts in Frederick County, VA (19 tracts) designated as 0501.00-0507.00, 0508.01-0508.07, 0509.00-0510.02, 0511.01-0511.04; and Census tracts located in Winchester City, VA (6 tracts) designated as 0001.00 – 001.02, 0002.01-0002.02, and 0003.01-0003.02.

3. **Type of Credit**. This bank is prepared to extend the following types of credit in the local community delineated, consistent with the safe and sound operation of the bank and to the extent that capital is available.

   - **Commercial Loans**. These loans should be made to support economic activities within our region and generate long-term relationships, which will produce net deposits as well as loans over a period of time.

   - **Installment Loans**. For purchase of autos, mobile homes, personal expenses, home improvement loans, and installment loans for the purchase of other retail consumer goods.

   - **Real Estate Loans**. For purchase and construction of residential properties and home improvement loans, and real estate loans for the purchase of farms and also loans secured by farmland. Real estate loans secured by liens on business and industrial properties, hotels, motels, and churches.

   - **Home Equity Lines of Credit.** These loans provide flexible access to funds, allowing homeowners to draw on their home equity as needed for home improvements, debt consolidation, education, or emergencies. Improvements made possible by HELOCs preserve the value of homes in the community.

   - **Agricultural Loans**. For the purpose of agricultural production, marketing and carrying of livestock. Loans to farmers for purchase of farm machinery, equipment and implements. Loans to farmers for the purpose of maintenance and operation of the farm. Loans to finance construction of poultry houses and purchase poultry equipment.

   - **Loans to Non-Profit Organizations** (churches, charitable clubs, and similar associations

4. This bank supports and participates with the following in their loan programs:

- **Small Business Administration** – for business loans and other services to small businesses including Paycheck Protection Program (PPP).
- **Farm Service Agency** – for home, business, and agricultural loans.
- **FHLB of Pittsburgh Mortgage Partnership Finance Program –** residential housing.
- **FHLB Banking on Business**
- **FHLB Community Lending Program**
- **USDA Rural Development Guaranteed Community Facilities Program –** community lending.

5. Bank officers and directors are active participants and share decision making roles in their local government through the following:

- Hardy County Rural Development Authority
- Hardy County Board of Health
- Region 8 Planning and Development Council
- Hardy County Housing Initiative
- Hampshire County Commission

Bank officers and directors are active participants in the following service organizations:

- Hardy County Chamber of Commerce
- Hardy County Community Foundation
- Hardy County Parks and Recreation
- Hampshire County Chamber of Commerce
- E. A. Hawse Health Center Board
- Top of Virginia Chamber of Commerce
- Stephens City Business Association
- WV Poultry Association
- WV Farm Bureau
- Wardensville Business Initiative
- Baker Ruritan Club
- East Hardy Scholarship Committee
- Hardy Telecommunications, Inc. (non-profit cooperative)
- Frederick County Public Schools
- Career and Technical Education (FCPS) Advisory Committee
- Top of Virginia
- Mathias Community Center
- Frederick County Chamber of Commerce
- Shenandoah County Chamber of Commerce

Constant contact is maintained with local government officials and community leaders in order to be aware of the credit needs of the community.

# 3. 2025 FFIEC Census Report

## Summary Census Demographic Information
## for
## Hardy and Hampshire County, West Virginia and Frederick County, Virginia
## (All Tracts)

# Hardy County West Virginia

**2025 FFIEC Census Report - Summary Census Overview Information**
**State: WEST VIRGINIA**
**County: 031 - HARDY COUNTY**
**All Tracts: 5**

| State Abbr | County Name | Tract code | Tract Income Level | Tract Median Family Income % | Distressed or Underserved Tract | 2025 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income | 2020 Tract Median Family Income | Tract Population | Minority Population | Tract Minority % | Owner Occupied Units | 1- to 4- Family Units |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| WV | HARDY COUNTY | 9701.01 | 3 - Middle | 99.29 | Yes | $71,300 | $55,000 | 2708 | 183 | 6.76 | 973 | 1929 |
| WV | HARDY COUNTY | 9701.02 | 4 - Upper | 122.29 | No | $71,300 | $67,738 | 2119 | 133 | 6.28 | 704 | 1083 |
| WV | HARDY COUNTY | 9702.01 | 2 - Moderate | 75.55 | No | $71,300 | $41,848 | 2670 | 725 | 27.15 | 681 | 1286 |
| WV | HARDY COUNTY | 9702.02 | 3 - Middle | 105.35 | Yes | $71,300 | $58,355 | 2535 | 196 | 7.73 | 729 | 1619 |
| WV | HARDY COUNTY | 9703.00 | 3 - Middle | 91.18 | Yes | $71,300 | $50,504 | 4267 | 377 | 8.84 | 1369 | 2256 |
| WV | HARDY COUNTY | 9999.99 | 3 - Middle | 89.71 | No | $71,300 | $49,691 | 14299 | 1614 | 11.29 | 4456 | 8173 |

# Hampshire County West Virginia

**2025 FFIEC Census Report - Summary Census Overview Information**
**State: WEST VIRGINIA**
**County: 027 - HAMPSHIRE COUNTY**
**All Tracts: 9**

| State Abbr | County Name | Tract code | Tract Income Level | Tract Median Family Income % | Distressed or Underserved Tract | 2025 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income | 2020 Tract Median Family Income | Tract Population | Minority Population | Tract Minority % | Owner Occupied Units | 1- to 4- Family Units |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| WV | HAMPSHIRE COUNTY | 9682.01 | 2 - Moderate | 79.14 | No | $113,100 | $65,974 | 2392 | 165 | 6.90 | 670 | 1658 |
| WV | HAMPSHIRE COUNTY | 9682.02 | 3 - Middle | 88.13 | No | $113,100 | $73,462 | 2885 | 189 | 6.55 | 1201 | 1586 |
| WV | HAMPSHIRE COUNTY | 9683.01 | 2 - Moderate | 74.99 | No | $113,100 | $62,513 | 2777 | 164 | 5.91 | 703 | 1320 |
| WV | HAMPSHIRE COUNTY | 9683.02 | 1 - Low | 47.36 | No | $113,100 | $39,479 | 2539 | 148 | 5.83 | 682 | 1588 |
| WV | HAMPSHIRE COUNTY | 9684.01 | 2 - Moderate | 60.48 | No | $113,100 | $50,417 | 2366 | 216 | 9.13 | 583 | 1200 |
| WV | HAMPSHIRE COUNTY | 9684.02 | 2 - Moderate | 65.47 | No | $113,100 | $54,574 | 1572 | 73 | 4.64 | 572 | 1008 |
| WV | HAMPSHIRE COUNTY | 9685.00 | 2 - Moderate | 69.99 | No | $113,100 | $58,348 | 3379 | 171 | 5.06 | 1309 | 2002 |
| WV | HAMPSHIRE COUNTY | 9686.01 | 2 - Moderate | 56.27 | No | $113,100 | $46,905 | 1924 | 120 | 6.24 | 660 | 1461 |
| WV | HAMPSHIRE COUNTY | 9686.02 | 3 - Middle | 96.18 | No | $113,100 | $80,171 | 3259 | 192 | 5.89 | 994 | 1820 |
| WV | HAMPSHIRE COUNTY | 9999.99 | 2 - Moderate | 70.18 | No | $113,100 | $58,503 | 23093 | 1438 | 6.23 | 7374 | 13643 |

# Frederick County Virginia

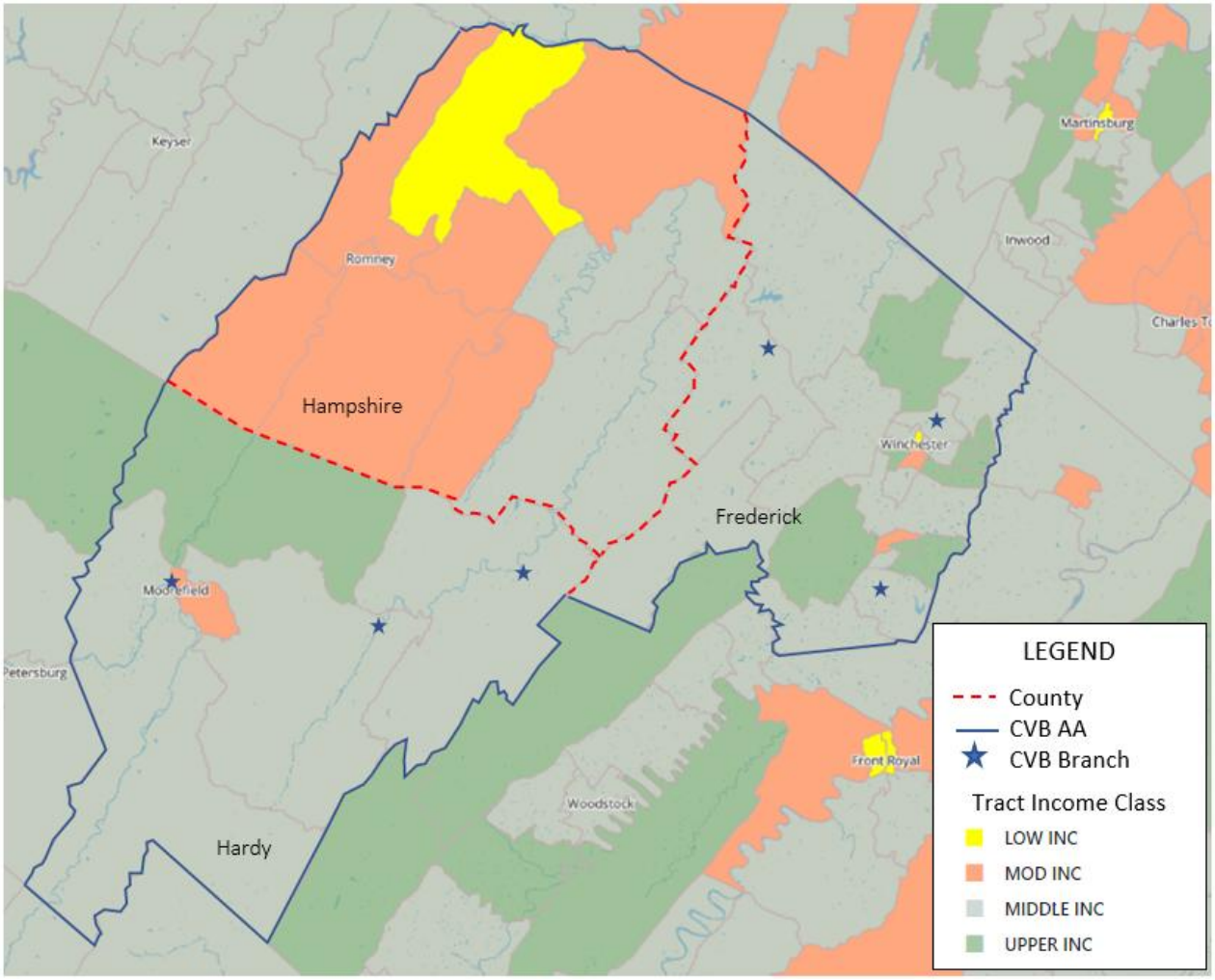
**2025 FFIEC Census Report - Summary Census Overview Information**
**State: VIRGINIA**
**County: 069 - FREDERICK COUNTY**
**All Tracts: 19**

| State Abbr | County Name | Tract code | Tract Income Level | Tract Median Family Income % | Distressed or Underserved Tract | 2025 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income | 2020 Tract Median Family Income | Tract Population | Minority Population | Tract Minority % | Owner Occupied Units | 1- to 4- Family Units |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VA | FREDERICK COUNTY | 0501.00 | 3 - Middle | 114.23 | No | $113,100 | $95,223 | 6758 | 1234 | 18.26 | 1880 | 2194 |
| VA | FREDERICK COUNTY | 0502.00 | 4 - Upper | 128.96 | No | $113,100 | $107,500 | 4044 | 334 | 8.26 | 1468 | 1759 |
| VA | FREDERICK COUNTY | 0503.00 | 3 - Middle | 104.83 | No | $113,100 | $87,383 | 6345 | 541 | 8.53 | 1929 | 2597 |
| VA | FREDERICK COUNTY | 0504.01 | 3 - Middle | 111.24 | No | $113,100 | $92,727 | 4490 | 541 | 12.05 | 1242 | 1738 |
| VA | FREDERICK COUNTY | 0504.02 | 3 - Middle | 81.82 | No | $113,100 | $68,207 | 2826 | 249 | 8.81 | 760 | 1261 |
| VA | FREDERICK COUNTY | 0505.00 | 3 - Middle | 110.38 | No | $113,100 | $92,011 | 5328 | 565 | 10.60 | 1691 | 1986 |
| VA | FREDERICK COUNTY | 0506.00 | 4 - Upper | 122.05 | No | $113,100 | $101,739 | 4699 | 752 | 16.00 | 1184 | 1755 |
| VA | FREDERICK COUNTY | 0507.00 | 3 - Middle | 88.29 | No | $113,100 | $73,601 | 2974 | 447 | 15.03 | 742 | 1040 |
| VA | FREDERICK COUNTY | 0508.01 | 3 - Middle | 109.71 | No | $113,100 | $91,453 | 6689 | 1822 | 27.24 | 1766 | 2415 |
| VA | FREDERICK COUNTY | 0508.04 | 3 - Middle | 105.61 | No | $113,100 | $88,036 | 5133 | 1176 | 22.91 | 1414 | 1835 |
| VA | FREDERICK COUNTY | 0508.05 | 4 - Upper | 171.52 | No | $113,100 | $142,975 | 3051 | 672 | 22.03 | 565 | 725 |
| VA | FREDERICK COUNTY | 0508.06 | 4 - Upper | 140.82 | No | $113,100 | $117,388 | 3812 | 723 | 18.97 | 1200 | 1393 |
| VA | FREDERICK COUNTY | 0508.07 | 2 - Moderate | 77.85 | No | $113,100 | $64,893 | 3885 | 893 | 22.99 | 1086 | 1364 |
| VA | FREDERICK COUNTY | 0509.00 | 3 - Middle | 109.86 | No | $113,100 | $91,579 | 5000 | 1404 | 28.08 | 1514 | 1910 |
| VA | FREDERICK COUNTY | 0510.01 | 4 - Upper | 137.01 | No | $113,100 | $114,209 | 4203 | 992 | 23.60 | 1205 | 1425 |
| VA | FREDERICK COUNTY | 0510.02 | 3 - Middle | 100.17 | No | $113,100 | $83,500 | 5821 | 2022 | 34.74 | 1621 | 1933 |
| VA | FREDERICK COUNTY | 0511.02 | 3 - Middle | 82.41 | No | $113,100 | $68,696 | 7547 | 3163 | 41.91 | 1480 | 2094 |
| VA | FREDERICK COUNTY | 0511.03 | 4 - Upper | 154.45 | No | $113,100 | $128,750 | 4889 | 1241 | 25.38 | 1283 | 1678 |
| VA | FREDERICK COUNTY | 0511.04 | 4 - Upper | 142.32 | No | $113,100 | $118,631 | 3925 | 909 | 23.16 | 909 | 1022 |

## 4. Assessment Area Map – Hardy, Hampshire and Frederick Counties

**(Map as of June 2026)**

**Capon Valley Bank – Assessment Area 2026**



# 5. Community Reinvestment Act Performance Evaluation Report – December 12, 2023

**PUBLIC DISCLOSURE**

December 12, 2023

# COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Capon Valley Bank
Certificate Number: 9998

2 West Main Street
Wardensville, WV 26851

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

10 10th Street NE, Suite 900
Atlanta, Georgia 30309-3849

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

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# INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory.**

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The majority of loans were originated inside the assessment areas.
- The geographic distribution of home mortgage, consumer, and small business loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate- income) and businesses of different sizes.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the assigned rating.

# DESCRIPTION OF INSTITUTION

Capon Valley Bank is a $212.9 million state-chartered depository institution headquartered in Wardensville, West Virginia. Capon Valley Bank is a wholly-owned subsidiary of Highlands Bankshares, a two-bank holding company. The Grant County Bank, located in Petersburg, West Virginia, is an affiliate bank under the holding company. The institution received an Outstanding rating at the previous FDIC CRA Performance Evaluation dated September 25, 2017, based on Interagency Small Institution Examination Procedures.

Capon Valley Bank operates five full-service locations in eastern West Virginia and western Virginia. Three offices, including its main office in Wardensville, West Virginia, are located in Hardy County, which is in the West Virginia Non-Metropolitan Statistical Area (Non-MSA). Two offices are located in Frederick County, Virginia, which is part of the Winchester VA-WV Multistate MSA (Winchester MSA). The bank has not opened or closed any branches, nor has it had any merger activity since the previous evaluation.

Capon Valley Bank offers a variety of deposit products, which include checking, savings, certificates of deposit, and individual retirement accounts. ATM's, online banking, mobile banking, and telephone banking are offered as alternative systems for delivering retail banking services. Loan products offered include commercial and business purpose loans, residential mortgage loans, home equity lines of credit, consumer installment loans, and personal lines of credit.

Capon Valley Bank's primary focus is home mortgage lending. Lending categories that have seen significant changes as a percentage of loan portfolio by dollar amount include residential loans (decrease of 8.0 percent), loans secured by farm land (increase of 7.8 percent), and construction and development loans (increase of 8.2 percent).

As of the September 30, 2023 Consolidated Reports of Condition and Income, the bank had total assets of $212.9 million, total deposits of $193.2 million, and total loans of $144.9 million. Since the previous CRA performance evaluation, total assets increased by 41.2 percent. Simultaneously, the bank experienced a 41.7 percent increase in total deposits and a 21.8 percent increase in total loans. The loan portfolio is illustrated in the following table.

| **Loan Portfolio Distribution as of 9/30/2023** | | |
|---|---|---|
| **Loan Category** | **$(000s)** | **%** |
| Construction, Land Development, and Other Land Loans | 21,188 | 14.6 |
| Secured by Farmland | 13,162 | 9.1 |
| Secured by 1-4 Family Residential Properties | 68,603 | 47.4 |
| Secured by Multifamily (5 or more) Residential Properties | 0 | 0.0 |
| Secured by Nonfarm Nonresidential Properties | 22,903 | 15.8 |
| **Total Real Estate Loans** | **125,856** | **86.9** |
| Commercial and Industrial Loans | 3,387 | 2.3 |
| Agricultural Production and Other Loans to Farmers | 1,021 | 0.7 |
| Consumer Loans | 13,482 | 9.3 |
| Obligations of State and Political Subdivisions in the U.S. | 0 | 0.0 |
| Other Loans | 1,126 | 0.8 |
| Lease Financing Receivable (net of unearned income) | 0 | 0.0 |
| Less: Unearned Income | 0 | 0.0 |
| **Total Loans** | **144,872** | **100.0** |
| *Source: Reports of Condition and Income as of September 30, 2023* | | |

As reflected in the above table, the bank's major loan products are residential real estate, commercial loans, and consumer loans. The Call Report data shows that residential real estate loans comprise 47.4 percent of the portfolio, commercial loans (including those secured by nonfarm, nonresidential real estate) comprise 18.1 percent, and consumer loans comprise 9.3 percent by dollar volume.

Examiners did not identify any financial, legal, or other impediments that effect the bank's ability to meet the credit needs of the assessment area.

## DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The FDIC evaluates the bank's CRA performance based on its activity within the defined assessment areas. Capon Valley Bank has designated two assessment areas. The Non-Metropolitan Statistical Area (MSA) assessment area (Non-MSA assessment area) consists of all of Hardy County, West Virginia. The second assessment area consists of all of

Frederick County and Winchester City in Virginia and Hampshire County, West Virginia, which comprises the entire Winchester, VA-WV Multi-state MSA (Winchester MSA assessment area). The following table provides a description of the assessment areas.

| Description of Assessment Areas | | | |
|---|---|---|---|
| **Assessment Area** | **Counties in Assessment Area** | **# of CTs** | **# of Branches** |
| Non-MSA | Hardy County | **5** | **3** |
| Winchester MSA | Frederick County & Winchester City, VA & Hampshire County WV | **34** | **2** |
| *Source: Bank Data* | | | |

There have been no changes to the assessment areas since the prior evaluation.
Refer to the Description of Institution's Operations for each assessment area for more detailed information.

# SCOPE OF EVALUATION

## General Information

This evaluation covers the period from the previous evaluation dated September 25, 2017, to the current evaluation dated December 12, 2023. Examiners used the Interagency Small Institution Examination Procedures to evaluate Capon Valley Bank's CRA Performance.

Examiners evaluated the bank's lending volume, deposit activity, and branching network to determine the weighting of the rated-area in determining the overall conclusions, analysis, and assigned ratings. As shown in the table below, lending volume by dollar amount as well as the number of branches is comparable in each of the assessment areas. However, the Non-MSA assessment area accounts for significantly more loans by number and deposit volume. Therefore, the Non-MSA assessment area received the most weight in the overall conclusions, analysis, and ratings.

| Assessment Area Breakdown of Loans, Deposits, and Branches | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Assessment Area** | **Loans** | | | | **Deposits** | | **Branches** | |
| | **$(000s)** | **%** | **#** | **%** | **$(000s)** | **%** | **#** | **%** |
| Non-MSA | 17,444 | 48.5 | 435 | 65.5 | 147,515 | 78.5 | 3 | 60.0 |
| Winchester MSA | 18,555 | 51.5 | 229 | 34.5 | 40,516 | 21.5 | 2 | 40.0 |
| **Total** | **35,999** | **100.0** | **664** | **100.0** | **188,031** | **100.0** | **5** | **100.0** |
| *Source: 2021 and 2022 HMDA Data; Bank Records; and, FDIC Summary of Deposits (06/30/2023)* | | | | | | | | |

Both assessment areas were reviewed using full-scope procedures, as each are the only assessment area in the rated area. As the Non-MSA assessment area is the only assessment area in West Virginia, the conclusions for the assessment area are the conclusions for West Virginia. As the Winchester MSA assessment area is the only assessment area in Virginia and all of the branches within are also in Virginia, the conclusions in this assessment area are the conclusions for the Virginia rated area.

## Activities Reviewed

The CRA evaluation requires examiners to review lending performance with respect to home mortgage, small business, and small farm loans, if significant. Additionally, consumer lending is considered is a substantial portion of the bank's lending and a focus of the bank's lending activity. Examiners determined that major product lines are home mortgage loans and consumer loans. While the bank offers commercial lending products, such is not a significant part of the bank's overall portfolio as reflected below only 40 commercial loans were originated in 2022, representing only 5.3 percent by number of loans originated. Additionally, commercial lending is less than half the level of home mortgage lending by dollar volume. No other loan types, such as small farm loans, represent a major product line and are not included in the review. Therefore, the analysis included home mortgage and consumer lending. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

The following table shows the originations from January 1, 2022, through December 31, 2022.

| Loans Originated or Purchased | | | | |
|---|---|---|---|---|
| **Loan Category** | **$(000s)** | **%** | **#** | **%** |
| Construction and Land Development | 820 | 2.1 | 5 | 0.7 |
| Secured by Farmland | 3,091 | 7.9 | 5 | 0.7 |
| Secured by 1-4 Family Residential Properties | 22,296 | 57.1 | 156 | 20.1 |
| Multi-Family (5 or more) Residential Properties | 0 | 0.0 | 0 | 0.0 |
| Commercial Real Estate Loans | 5,734 | 14.7 | 11 | 1.5 |
| Commercial and Industrial Loans | 1,809 | 4.6 | 29 | 3.8 |
| Agricultural Loans | 86 | 0.2 | 5 | 0.7 |
| Consumer Loans | 5,221 | 13.4 | 546 | 72.1 |
| Other Loans | 0 | 0.0 | 0 | 0.0 |
| **Total Loans** | 39,057 | 100.0 | 757 | 100.0 |

*Source: Bank Data January 1, 2022, through December 31, 2022*
*Due to rounding totals may not equal 100 percent.*

This evaluation considered all home mortgage loans reported for 2021 and 2022 under the Home Mortgage Disclosure Act (HMDA). The bank reported 118 loans totaling $24.1 million for 2022 and 140 loans totaling $21.9 million for 2021. Lending performance tables include 2022 data only as such is representative of the review period. However, 2021 lending data was also analyzed, and any significant difference in performance is noted in the narrative. Federal banking agencies rely on the U.S. Census data that is updated every five years through the American Community Survey (ACS) for comparative demographic data for the home mortgage lending. Two sets of U.S. Census data were used for comparison purposes. The 2015 ACS Data was used to analyze lending for 2021, and the 2020 U.S. Census Data was used for 2022 lending analysis. The demographic data used included the level of owner-occupied housing units in the various census tract levels and families by income level to evaluate the Geographic Distribution and Borrower Profile criteria, respectively. Finally, HMDA aggregate data for 2021 and 2022 was included for comparative analysis of home mortgage lending.

This evaluation also considered consumer loans for 2022. The bank originated 546 consumer loans

totaling $5.2 million for 2022. Examiners reviewed the entire universe of 2022 consumer loans for Assessment Area Concentration and Geographic Distribution. Examiners selected a sample of 60 consumer loans totaling $561,000 from the consumer loans originated inside the assessment areas for 2022 for analysis under the Borrower Profile criterion. Demographic data from the 2020 Census was used as a comparison. The percentage of households by tract income level was used for comparison purposes for the Geographic Distribution criteria. The percentage of households by income level was used for comparison purposes for the Borrower Profile criteria.

When weighing the loan products' impact on the conclusions, examiners evaluated home mortgage and consumer loans on the volume of lending by dollar amount and number of loans over the review period. As shown in the following table, Capon Valley Bank's overall loan data reflects significant emphasis on home mortgage lending by dollar volume and on consumer loans by number of loans. Therefore, home mortgage lending and consumer lending were given equal weight in the overall analysis in both assessment areas.

| **Loan Products Reviewed** | | | | |
|---|---|---|---|---|
| **Loan Category** | **Universe** | | **Reviewed** | |
| | **#** | **$(000s)** | **#** | **$(000s)** |
| Home Mortgage | 258 | 45,980 | 258 | 45,980 |
| Consumer | 546 | 5,222 | 546 | 5,222 |
| *Source: 2021 and 2022 HMDA Data and Bank Data* | | | | |

Only loans within the assessment areas are included in the Geographic Distribution and Borrower Profile analyses.

While both the number and dollar volume of loans are presented throughout this evaluation, examiners focused more on the number of loans originated. This represents a better indicator of the number of individuals and businesses impacted.

# CONCLUSIONS ON PERFORMANCE CRITERIA

## LENDING TEST

The bank exhibited an overall satisfactory record regarding the Lending Test. The net loan-to-deposit ratio is reasonable given the institution's size and financial condition and the assessment area's credit. The geographic distribution of lending reflects reasonable dispersion throughout the assessment areas, and the borrower profile is considered reasonable given the penetration of loans to borrowers and households of different income levels. Also, the bank originated a majority loans inside the assessment areas. Lending performance varied among the rated areas with lending performance being satisfactory in the West Virginia rated-area and outstanding in the Virginia rated-area.

### Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size and financial condition and the assessment areas' credit needs. The loan-to-deposit ratio was calculated from Call Report data and

averaged 85.4 percent over the last 25 calendar quarters from September 30, 2017, to September 30, 2023. The ratio ranged from a low of 71.4 percent as of March 31, 2022, to a high of 98.7 percent as of December 31, 2018. The ratio has been declining since December of 2019. The ratio leveled off in March of 2022 and has seen minimal increases since that time.

The loan-to-deposit ratio was compared to three similarly-situated institutions operating within the assessment areas. The institutions were selected based on size, portfolio composition, and market area. Capon Valley Bank's average loan-to-deposit ratio is comparable to the similarly-situated institutions shown in the following table.

| Loan-to-Deposit (LTD) Ratio Comparison | | |
|---|---|---|
| **Bank** | **Total Assets as of 9/30/2023 ($000s)** | **Average Net LTD Ratio (%)** |
| **Capon Valley Bank, Wardensville, WV** | **212,867** | **85.4** |
| FNB Bank, Inc., Romney, WV | 262,473 | 87.7 |
| Bank of Romney, Romney WV | 357,513 | 98.0 |
| Grant County Bank, Petersburg, WV | 333,059 | 87.4 |
| *Source: Reports of Condition and Income 9/30/2017 - 9/30/2023* | | |

## Assessment Area Concentration

The bank originated a majority of its home mortgage and consumer loans by number and dollar volume within its assessment areas. The following table shows the distribution of loans originated inside and outside the assessment areas.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Loan Category** | **Number of Loans** | | | | **Total #** | **Dollars Amount of Loans $(000s)** | | | | **Total $(000s)** |
| | **Inside** | | **Outside** | | | **Inside** | | **Outside** | | |
| | **#** | **%** | **#** | **%** | | **$** | **%** | **$** | **%** | |
| Home Mortgage | | | | | | | | | | |
| 2021 | 103 | 73.6 | 37 | 26.4 | 140 | 14,519 | 66.3 | 7,364 | 33.7 | 21,883 |
| 2022 | 91 | 77.1 | 27 | 22.9 | 118 | 16,969 | 70.4 | 7,128 | 29.6 | 24,097 |
| **Subtotal** | **194** | **75.2** | **64** | **24.8** | **258** | **31,488** | **68.5** | **14,492** | **31.5** | **45,980** |
| Consumer | | | | | | | | | | |
| 2022 | 470 | 86.1 | 76 | 13.9 | 546 | 4,511 | 86.4 | 711 | 13.6 | 5,222 |
| **Total** | **664** | **82.6** | **140** | **17.4** | **804** | **35,999** | **70.3** | **15,203** | **29.7** | **51,202** |
| *Source: 2021 and 2022 HMDA Reported Data and Bank Data* | | | | | | | | | | |

## Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Reasonable geographic distribution in both the West Virginia and Virginia rated-areas supports this conclusion.

**Borrower Profile**

The distribution of loans reflects, given the demographics of the assessment areas, reasonable penetration among individuals and households of different income levels (including low- and moderate- income). Reasonable penetration in the West Virginia rated-area and excellent penetration in the Virginia rated-area support this conclusion.

**Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs; therefore this consideration did not affect the institution's overall CRA Rating.

# WEST VIRGINIA – Full-Scope Review

**CRA RATING FOR WEST VIRGINIA: SATISFACTORY**

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN WEST VIRGINIA

The assessment area includes all five census tracts in Hardy County. There have been no changes to the assessment area since the previous evaluation. The bank operates three or 60.0 percent of its branch offices in the Non-MSA assessment area. The assessment area represents 48.5 percent of bank-wide loans by number of loans, 48.5 percent by dollar volume of bank-wide lending, and 78.5 percent of bank-wide deposits.

### Economic and Demographic Data

There are no low-income tracts, one moderate-income tract, three middle-income tracts, and one upper income tract in the assessment area. None of the three middle-income census tracts have been designated as distressed or underserved by the FFIEC. Significant changes have occurred in the assessment area between the 2015 ACS and the 2020 US Census. The number of census tracts increased from three to five. The 2015 ACS reflected only middle-income tracts. However, the 2020 US Census resulted in a moderate-income and an upper-income census tract. Regarding housing costs, the median housing value increased significantly from $119,685 to $132,472 while median gross rents increased from $598 to $828. The following table provides additional select demographic characteristics of the assessment area.

| Demographic Information of the Non-MSA Assessment Area | | | | | | |
|---|---|---|---|---|---|---|
| **Demographic Characteristics** | **#** | **Low % of #** | **Moderate % of #** | **Middle % of #** | **Upper % of #** | **NA* % of #** |
| Geographies (Census Tracts) | 5 | 0.0 | 20.0 | 60.0 | 20.0 | 0.0 |
| Population by Geography | 14,299 | 0.0 | 18.7 | 66.5 | 14.8 | 0.0 |
| Housing Units by Geography | 8,351 | 0.0 | 16.7 | 70.3 | 13.0 | 0.0 |
| Owner-Occupied Units by Geography | 4,456 | 0.0 | 15.3 | 68.9 | 15.8 | 0.0 |
| Occupied Rental Units by Geography | 1,477 | 0.0 | 43.5 | 50.2 | 6.2 | 0.0 |
| Vacant Units by Geography | 2,418 | 0.0 | 3.0 | 85.1 | 11.9 | 0.0 |
| Businesses by Geography | 1,029 | 0.0 | 23.4 | 66.5 | 10.1 | 0.0 |
| Farms by Geography | 189 | 0.0 | 3.7 | 74.1 | 22.2 | 0.0 |
| Family Distribution by Income Level | 4,070 | 17.5 | 22.4 | 24.6 | 35.6 | 0.0 |
| Household Distribution by Income Level | 5,933 | 14.8 | 15.9 | 23.5 | 45.8 | 0.0 |
| Median Family Income Non-MSAs - WV | | $55,205 | Median Housing Value | | | $138,472 |
| | | | Median Gross Rent | | | $828 |
| | | | Families Below Poverty Level | | | 11.6% |

*Source: 2020 U.S. Census and 2022 D&B Data*
*Due to rounding, totals may not equal 100.0 percent*
*(*) The NA category consists of geographies that have not been assigned an income classification.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares consumer loans to the distribution of households in low-, moderate-, middle-, and upper-income tracts. The 2020 Census data shows a significant majority of owner-occupied housing units and within the middle-income tracts, indicating most of the lending opportunities are in these geographies. The remaining owner-occupied housing is evenly distributed between the one upper-income tract and one moderate-income tract.

The FFIEC updated West Virginia Non-MSA median family income levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

| **Median Family Income Ranges** | | | | |
|---|---|---|---|---|
| **Median Family Incomes** | **Low <50%** | **Moderate 50% to <80%** | **Middle 80% to <120%** | **Upper ≥120%** |
| 2021 ($54,600) | <$27,300 | $27,300 to <$43,680 | $43,680 to <$65,520 | ≥$65,520 |
| 2022 ($59,300) | <$29,650 | $29,650 to <$47,440 | $47,440 to <$71,160 | ≥$71,160 |
| *Source: FFIEC* | | | | |

The West Virginia Non-MSA median household income levels were used to analyze consumer loans under the Borrower Profile criterion. The following table presents each income category.

| **Median Household Income Ranges** | | | | |
|---|---|---|---|---|
| **Median Household Incomes** | **Low <50%** | **Moderate 50% to <80%** | **Middle 80% to <120%** | **Upper ≥120%** |
| 2022 ($44,656) | <$22,328 | $22,328 to <$35,725 | $35,725 to <$53,587 | ≥$53,587 |
| *Source: 2020 U.S. Census* | | | | |

The analysis of home mortgage lending by borrower income uses families by income level as a comparison for bank performance. The median housing value is over $138,000, which can potentially make housing unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The top industries in the Non-MSA assessment area are services and agriculture. Top employers within the assessment area are Pilgrim's Pride Corporation of West Virginia, American Woodmark Corporation, and the Hardy County Board of Education.

According to the U.S. Bureau of Labor Statistics, unemployment rates increased significantly during 2020 and then declined in 2021 and 2022 and then stabilizing as of October 2023. The unemployment rate in the Non-MSA assessment area was below both the state and National averages for 2020 and 2021 but has been slightly above both averages in 2022 and 2023.

| Unemployment Rates | | | | |
|---|---|---|---|---|
| **Area** | **2020** | **2021** | **2022** | **October 2023** |
| | **%** | **%** | **%** | **%** |
| Hardy County | 7.1 | 5.0 | 4.1 | 4.2 |
| West Virginia | 8.3 | 5.1 | 3.9 | 4.0 |
| National Average | 8.1 | 5.4 | 3.6 | 3.9 |
| *Source: Bureau of Labor Statistics* | | | | |

## Competition

Competition for financial services within the Non-MSA assessment area is moderate. According to the FDIC Deposit Market Share data as of June 30, 2023, four financial institutions operate 10 offices in the assessment area. Capon Valley Bank ranked 2nd with 21.6 percent of total deposits. Summit Community Bank, Inc. is the leader in deposit market share at 68.9 percent, with Pendleton Community Bank, Inc. at 7.5 percent and The Grant County Bank at 2.1 percent.

There is a high level of competition for home mortgage loans among numerous banks, credit unions, and non-depository mortgage lenders in this assessment area. According to home mortgage aggregate lending data for 2022, 90 lenders reported 362 residential mortgage loans originated or purchased in the assessment area. Capon Valley Bank ranked 2nd with a 13.0 percent market share by number of loans. Pendleton Community Bank, Inc. was ranked 1st with a slightly higher market share at 13.5 percent with Summit Community Bank, Inc. at 9.4 percent, Rocket Mortgage at 6.9 percent, and Integrity Home Mortgage Corporation 3.4 percent completing the top five lenders in the market.

## Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. A community contact interview was conducted with an economic development organization that serves the assessment area.

The community contact stated that the major industries include poultry, wood products, agriculture, cabinetry manufacturing, polymer and plastic manufacturing, and various small local manufacturers. All major industries are stable, but available jobs have been outpacing workers, resulting in a shortage of skilled workers and the rise of hiring bonuses. Finding willing and qualified workers is a challenge. Area demographics are typical of most of West Virginia. The area has a high population of persons over 55 years of age, and the primary work force is in their 30's and 40's. The contact indicated that it is difficult retaining or drawing younger workers. The population has a low level of college educated persons.

The contact indicated that housing stock in the area is generally older but well-maintained. The contact indicated that rental properties in particular are in short supply. The area saw significant increases in home values during the pandemic, and they remain high. This was driven by the

migration away from cities during the pandemic. The contact indicated a significant need for affordable housing, particularly multi-family housing.

**Credit Needs**

Considering information from management, the community contact, and demographic and economic data, examiners determined affordable housing represents a primary credit need for the assessment area. Nearly, 40.0 percent of families are low-or moderate-income, with low-income families earning less than $30,000 annually. Small business lending also represents a credit need as demographic data reflects that 85.1 percent of businesses have revenues of less the $1 million, and 91.4 percent of businesses have nine or fewer employees.

## SCOPE OF EVALUATION – WEST VIRGINIA

Refer to the overall Scope of Evaluation for details.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN WEST VIRGINIA

### LENDING TEST

Capon Valley Bank demonstrated satisfactory performance under the Lending Test. The geographic distribution reflects reasonable penetration of home mortgage and consumer lending throughout the assessment area. Lending to borrowers and households of different income levels is considered reasonable.

**Geographic Distribution**

The geographic distribution of the loans reflects reasonable dispersion throughout the Non-MSA assessment area. Both home mortgage and consumer lending penetration throughout the assessment area is considered reasonable.

*Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects reasonable penetration throughout the assessment area. The bank's performance in moderate-income census tracts was comparable to the demographic data and consistent with aggregate lending data.

| Geographic Distribution of Home Mortgage Loans<br>Non-MSA Assessment Area | | | | | | |
|---|---|---|---|---|---|---|
| **Tract Income Level** | **% of Owner-Occupied Housing Units** | **Aggregate Performance % of #** | **#** | **%** | **$(000s)** | **%** |
| Moderate | 15.3 | 13.0 | 6 | 12.8 | 433 | 6.0 |
| Middle | 68.9 | 71.0 | 33 | 70.2 | 5,461 | 75.6 |
| Upper | 15.8 | 16.0 | 8 | 17.0 | 1,332 | 18.4 |
| Totals | **100.0** | **100.0** | **47** | **100.0** | **7,227** | **100.0** |
| *Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.* | | | | | | |

### *Consumer Loans*

The geographic distribution of consumer loans reflects reasonable penetration throughout the assessment area. Performance in moderate-income census tracts was below the demographic lending data but considered reasonable.

| Geographic Distribution of Consumer Loans<br>Non-MSA Assessment Area | | | | | |
|---|---|---|---|---|---|
| **Tract Income Level** | **% of Households** | **#** | **%** | **$(000s)** | **%** |
| Moderate | 22.3 | 44 | 13.5 | 270 | 9.2 |
| Middle | 64.3 | 239 | 73.6 | 2,199 | 75.0 |
| Upper | 13.4 | 42 | 12.9 | 462 | 15.8 |
| Totals | **100.0** | **325** | **100.0** | **2,931** | **100.0** |
| *Source: 2020 U.S. Census and Bank Data.* | | | | | |

## Borrower Profile

The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among individuals and households of different income level and. Home mortgage lending to borrowers of different incomes is considered reasonable, while consumer lending to households of different households is excellent.

### *Home Mortgage Loans*

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different incomes. Lending to low-income borrowers was significantly below the percent of low-income families; however, exceeded aggregate lending data. Lending to moderate-income borrowers was below demographic data but well above aggregate lender performance.

| Distribution of Home Mortgage Loans by Borrower Income Level<br>Non-MSA Assessment Area | | | | | | |
|---|---|---|---|---|---|---|
| **Borrower Income Level** | **% of Families** | **Aggregate Performance % of #** | **#** | **%** | **$(000s)** | **%** |
| Low | 17.5 | 2.8 | 2 | 4.3 | 147 | 2.0 |
| Moderate | 22.4 | 13.0 | 9 | 19.1 | 708 | 9.8 |
| Middle | 24.6 | 18.5 | 17 | 36.2 | 2,004 | 27.7 |
| Upper | 35.6 | 53.3 | 18 | 38.3 | 4,292 | 59.4 |
| Not Available | 0.0 | 12.4 | 1 | 2.1 | 76 | 1.1 |
| **Totals** | **100.0** | **100.0** | **47** | **100.0** | **7,227** | **100.0** |
| *Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.*<br>*Due to rounding, totals may not equal 100.0 percent.* | | | | | | |

### *Consumer Loans*

The distribution of consumer loans reflects excellent penetration among households of different incomes. Lending to low-income households was more than double demographic data and well above demographics for moderate-income borrowers.

| Distribution of Consumer Loans by Borrower Income Level<br>Non-MSA Assessment Area | | | | | |
|---|---|---|---|---|---|
| **Household Income Level** | **% of Households** | **#** | **%** | **$(000s)** | **%** |
| Low | 14.8 | 15 | 33.3 | 128 | 29.8 |
| Moderate | 15.9 | 11 | 24.4 | 63 | 14.6 |
| Middle | 23.5 | 11 | 24.4 | 144 | 33.5 |
| Upper | 45.8 | 6 | 13.3 | 89 | 20.7 |
| Not Available | 0.0 | 2 | 4.4 | 6 | 1.4 |
| **Totals** | **100.0** | **45** | **100.0** | **430** | **100.0** |
| *Source: 2020 U.S. Census and Bank Data.* | | | | | |

# VIRGINIA – Full-Scope Review

**CRA RATING FOR VIRGINIA: OUTSTANDING**

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN VIRGINIA

The assessment area includes all of Hampshire County, West Virginia and Frederick County and Winchester City in Virginia, which comprised the Winchester, VA-WV Multi-State MSA. There have been no changes to the assessment area since the previous evaluation. The bank operates two or 40.0 percent of its branch offices in the Winchester MSA assessment area, with both branches located in Virginia. The assessment area represents 34.5 percent of the bank-wide loans by number of loans, 51.5 percent of bank-wide lending by dollar volume, and 21.5 percent of bank-wide deposits.

### Economic and Demographic Data

The assessment area consists of 34 census tracts, including 2 low-income tracts, 8 moderate-income tracts, 16 middle-income tracts, and 8 upper-income tracts. Significant changes occurred in the assessment area between the 2015 ACS and 2020 US Census. The number of census tracts increased from 24 to 34. There were no changes in moderate-income tracts, but low-income tracts increased by 2, middle-income tracts increased by 5, and upper-income tracts increased by 3. The percentages of the population and housing in moderate-income census tracts saw decreases of roughly 15.0 percent while both middle-income tracts saw increases of roughly 9.0 to 10.0 percent. Business levels showed significant decreases in moderate-income census tracts at roughly 14.0 percent and corresponding increases in low-, middle-, and upper-income census tracts. Regarding housing costs, the median housing value increased significantly from $194,637 to $237,511 while median gross rents increased from $878 to nearly $1,100. The following table provides additional select demographic characteristics of the assessment area.

| Demographic Information of the Winchester MSA Assessment Area | | | | | | |
|---|---|---|---|---|---|---|
| **Demographic Characteristics** | **#** | **Low % of #** | **Moderate % of #** | **Middle % of #** | **Upper % of #** | **NA* % of #** |
| Geographies (Census Tracts) | 34 | 5.9 | 23.5 | 47.1 | 23.5 | 0.0 |
| Population by Geography | 142,632 | 4.5 | 16.5 | 54.8 | 24.3 | 0.0 |
| Housing Units by Geography | 60,844 | 5.2 | 20.6 | 53.4 | 20.8 | 0.0 |
| Owner-Occupied Units by Geography | 37,080 | 2.3 | 16.9 | 55.5 | 25.4 | 0.0 |
| Occupied Rental Units by Geography | 14,848 | 9.2 | 17.8 | 56.8 | 16.2 | 0.0 |
| Vacant Units by Geography | 8,916 | 10.7 | 40.8 | 39.3 | 9.2 | 0.0 |
| Businesses by Geography | 15,106 | 5.4 | 11.5 | 57.4 | 25.7 | 0.0 |
| Farms by Geography | 707 | 5.1 | 18.1 | 57.3 | 19.5 | 0.0 |
| Family Distribution by Income Level | 35,223 | 19.0 | 19.1 | 23.3 | 38.6 | 0.0 |
| Household Distribution by Income Level | 51,928 | 21.1 | 17.8 | 20.2 | 40.9 | 0.0 |
| Median Family Income - Winchester, VA-WV MSA | | $83,355 | Median Housing Value | | | $237,511 |
| | | | Median Gross Rent | | | $1,077 |
| | | | Families Below Poverty Level | | | 5.8% |

*Source: 2020 U.S. Census and 2022 D&B Data*
*Due to rounding, totals may not equal 100.0 percent.*
*(*) The NA category consists of geographies that have not been assigned an income classification.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares consumer loans to the level of households located in low-, moderate-, middle-, and upper-income tracts. The 2020 Census data shows a majority of owner-occupied housing units and households are within the middle-, indicating most of the lending opportunities are in these geographies. The remaining population and owner-occupied housing are disbursed primarily moderate- and upper-income tracts, within a somewhat higher level in the upper-income tracts. Low-income tracts account for nominal levels.

The FFIEC updated Winchester, VA-WV Multi-State MSA MFI levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category.

| Median Family Income Ranges | | | | |
|---|---|---|---|---|
| **Median Family Incomes** | **Low <50%** | **Moderate 50% to <80%** | **Middle 80% to <120%** | **Upper ≥120%** |
| 2021 ($81,400) | <$40,700 | $40,700 to <$65,120 | $65,120 to <$97,680 | ≥$97,680 |
| 2022 ($96,400) | <$48,200 | $48,200 to <$77,120 | $77,120 to <$115,680 | ≥$115,680 |

*Source: FFIEC*

The Winchester, VA-WV Multi-state MSA median household income levels were used to analyze consumer loans under the Borrower Profile criterion. The following table presents each income category.

| Median Household Income Ranges | | | | |
|---|---|---|---|---|
| **Median Household Incomes** | **Low <50%** | **Moderate 50% to <80%** | **Middle 80% to <120%** | **Upper ≥120%** |
| 2022 ($71,375) | <$35,688 | $35,688 to <$57,100 | $57,100 to <$85,650 | ≥$85,650 |
| *Source: 2020 U.S. Census* | | | | |

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. The median housing value is over $237,000, which can potentially make housing unaffordable for low-income individuals. Therefore, lending opportunities to low-income families may be limited.

The top industries in the Winchester MSA assessment area are retail trade, education and health services, and government. Top employers within the assessment area are Valley Health Systems, Navy Federal Credit Union, Amazon Fulfillment Services, Walmart Supercenter, and Ignite holdings LLC.

According to the U.S. Bureau of Labor Statistics, unemployment rates increased significantly during 2020 and then declined in 2021 and 2022 and through October 2023. The unemployment rate in the Winchester MSA assessment area was below both the state and National averages for all years under review.

| Unemployment Rates | | | | |
|---|---|---|---|---|
| **Area** | **2020** | **2021** | **2022** | **October 2023** |
| | **%** | **%** | **%** | **%** |
| Winchester MSA | 5.2 | 3.1 | 2.5 | 2.4 |
| State | 6.5 | 3.9 | 2.8 | 2.7 |
| National Average | 8.1 | 5.4 | 3.6 | 3.9 |
| *Source: Bureau of Labor Statistics* | | | | |

## Competition

Competition for financial services within the Winchester MSA assessment area is high. According to the FDIC Deposit Market Share data as of June 30, 2023, 13 financial institutions operate 43 offices in the assessment area. Capon Valley Bank ranked 12th with 1.0 percent of total deposits. Competitor institutions in the market include Truist Bank with a 34.4 percent market share, Bank of Clarke at 17.4 percent, and Wells Fargo Bank, NA at 12.9 percent.

There is a high level of competition for home mortgage loans among numerous banks, credit unions, and non-depository mortgage lenders in this assessment area. According to HMDA aggregate data, 313 lenders reported 5,071 residential mortgage loans originated or purchased in the assessment area. Capon Valley Bank ranked 30th in this group of home mortgage lenders with a 0.9 percent market share by number of loans. The five most prominent home mortgage lenders were Rocket Mortgage with a 5.6 percent market share followed by Truist Bank at 5.5 percent, Integrity

Home Mortgage Corporation at 4.8 percent, Navy Federal Credit Union at 4.4 percent, and PennyMac Loan Services, LLC at 4.3 percent.

## Community Contact

As part of the CRA evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. A community contact interview was conducted with an economic development organization that serves Frederick County, VA.

The contacted indicated the area has balanced demographics with the two largest segments of the population being working aged persons (18-44) and persons 65 and older. Additionally, the contact indicated that the area has a high positive net migration due to good job opportunities as well as competitive home prices. The contact indicated that the primary industries in the area include manufacturing, transportation and warehousing, retail, and education. The contact indicated that 65 percent of persons live and work within the Frederick County. While there are some persons that commute to areas outside the county, the net commute is into the county from other areas.

The contact indicated that the housing market is the same in Frederick County as everywhere else with high demand and low supply coupled with high interest rates. Housing permits remain consistent with the bulk of building being multi-family housing in the City of Winchester and single family townhouses in the rest of Frederick County. Barriers to housing growth include limited land and financing.

The contact indicated that there is a high demand for small business loans as the organization has a small business development department that regularly refers business owners to the local office of the Small Business Administration. Additionally, the contact stated that many small business owners indicated that collateral requirements for small business loans are too high and that small business funding with more reasonable requirements would be welcome.

## Credit Needs

Considering information from management, the community contact, and demographic and economic data, examiners determined small business lending represents a primary credit need for the assessment area. Businesses with revenues of less the $1 million at 88.5 percent and 92.3 percent of businesses have nine or fewer employees reflect this need. While business costs have increased in recent years, they remain well below the national average.

Affordable housing also represents a credit need as demographic data reflects that 38.1 percent of families are low-or moderate-income, with low-income families earning less than $49,000 annually. Single-family house prices are holding steady despite a national decline, boosting builders' sentiment and helping to increase single-family construction. Housing in the assessment area remains overvalued, but both housing and rental costs remain consistent with state and national averages.

# SCOPE OF EVALUATION - VIRGINIA

Refer to the overall Scope of Evaluation for details.

# CONCLUSIONS ON PERFORMANCE CRITERIA IN VIRGINIA

## LENDING TEST

Capon Valley Bank demonstrated outstanding performance under the Lending Test. The Geographic Distribution of home mortgage and consumer loans reflects reasonable penetration throughout the assessment area. The Borrower Profile reflects excellent lending to both borrowers and households of different incomes.

### Geographic Distribution

The geographic distribution of the loans reflects reasonable dispersion throughout the Winchester MSA assessment area. Both home mortgage and consumer lending distribution is considered reasonable.

*Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment area. Lending in low-income census tracts exceeded both the demographic and aggregate lending data. Lending in moderate-income census tracts was below demographics but exceeded aggregate lending data, however in 2021 lending in moderate-income tracts was 62.5 percent by number of loans, which substantially exceeded demographic data of 25.5 percent and aggregate lending data of 16.8 percent.

**Geographic Distribution of Home Mortgage Loans**
**Winchester MSA Assessment Area**

| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | $(000s) | % |
|---|---|---|---|---|---|---|
| Low | 2.3 | 2.7 | 2 | 4.6 | 1,292 | 13.3 |
| Moderate | 16.9 | 11.1 | 6 | 13.6 | 1,269 | 13.0 |
| Middle | 55.5 | 57.9 | 30 | 68.2 | 5,573 | 57.2 |
| Upper | 25.4 | 28.3 | 6 | 13.6 | 1,609 | 16.5 |
| **Totals** | **100.0** | **100.0** | **44** | **100.0** | **9,742** | **100.0** |

*Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.*
*Due to rounding, totals may not equal 100.0 percent.*

*Consumer Loans*

The geographic distribution of consumer loans reflects reasonable penetration throughout the assessment area. Lending in low-income census tracts was well below demographic data. Performance in moderate-income census tracts was well above the demographic data.

**Geographic Distribution of Consumer Loans**

| Winchester MSA Assessment Area | | | | | |
|---|---|---|---|---|---|
| **Tract Income Level** | **% of Households** | **#** | **%** | **$(000s)** | **%** |
| Low | 4.2 | 1 | 0.7 | 2 | 0.1 |
| Moderate | 17.1 | 38 | 26.2 | 502 | 31.8 |
| Middle | 55.9 | 97 | 66.9 | 977 | 61.8 |
| Upper | 22.8 | 9 | 6.2 | 99 | 6.3 |
| **Totals** | **100.0** | **145** | **100.0** | **1,580** | **100.0** |
| *Source: 2020 U.S. Census and Bank Data.* | | | | | |

## Borrower Profile

The distribution of loans reflects, given the demographics of the assessment area, excellent penetration among individuals and households of different income level.

### *Home Mortgage Loans*

The distribution of home mortgage loans reflects excellent penetration among borrowers of different incomes. Lending to low-income borrowers was above the percent of low-income families, and three times the level of aggregate lenders. Lending to moderate-income borrowers exceeded both the demographic and aggregate lending data. For 2021, lending to moderate-income borrowers at 30.0 percent was significant above demographics of 17.3 percent and aggregate lending of 17.7 percent.

| Distribution of Home Mortgage Loans by Borrower Income Level<br>Winchester MSA Assessment Area | | | | | | |
|---|---|---|---|---|---|---|
| **Borrower Income Level** | **% of Families** | **Aggregate Performance % of #** | **#** | **%** | **$(000s)** | **%** |
| Low | 19.0 | 8.5 | 11 | 25.0 | 2,117 | 21.7 |
| Moderate | 19.1 | 19.6 | 11 | 25.0 | 1,775 | 18.2 |
| Middle | 23.3 | 21.1 | 11 | 25.0 | 2,017 | 20.7 |
| Upper | 38.6 | 33.3 | 9 | 20.5 | 3,056 | 31.4 |
| Not Available | 0.0 | 17.5 | 2 | 4.5 | 778 | 8.0 |
| **Totals** | **100.0** | **100.0** | **44** | **100.0** | **9,742** | **100.0** |
| *Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.* | | | | | | |

### *Consumer Loans*

The distribution of consumer loans reflects excellent penetration among households of different incomes. Lending to low-income borrowers was substantially above demographic data at three and a half times the level of demographics. Performance in moderate-income census tracts was below demographic data.

| Distribution of Consumer Loans by Borrower Income Level<br>Winchester MSA Assessment Area | | | | | |
|---|---|---|---|---|---|
| **Borrower Income Level** | **% of Households** | **#** | **%** | **$(000s)** | **%** |
| Low | 21.1 | 11 | 73.3 | 87 | 66.4 |
| Moderate | 17.8 | 2 | 13.3 | 20 | 15.3 |
| Middle | 20.2 | 2 | 13.3 | 24 | 18.3 |
| Upper | 40.9 | 0 | 0.0 | 0 | 0.0 |
| **Totals** | **100.0** | **15** | **100.0** | **131** | **100.0** |

*Source: 2020 U.S. Census and Bank Data.*
*Due to rounding, totals may not equal 100.0 percent.*

# APPENDICES

# SMALL BANK PERFORMANCE CRITERIA

## Lending Test

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

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

# SUMMARY OF RATINGS FOR RATED AREAS

| Rated Area | Rating |
|---|---|
| West Virginia | Satisfactory |
| Virginia | Outstanding |

# GLOSSARY

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

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

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

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

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

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

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

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

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

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

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

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

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

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

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

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

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

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

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

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

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

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

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

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

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

# 6. Products, Services & Fees

CAPON VALLEY Bank
"YOUR GOOD NEIGHBOR BANK"

# Products, Services & Fees

## Deposit Products

Consumer:

- CVB EZ Checking
- CVB Basic Checking
- CVB Senior Checking
- CVB Rewards Checking
- CVB Interest Reward Checking
- CVB Premium Money Market
- CVB Premium Investment
- CVB Plus Checking
- CVB Savings
- CVB Christmas Club
- Certificates of Deposit
- Individual Retirement Accounts (IRAs)
    - Traditional and ROTH IRAs.
- CDARS (Certificate of Deposit Account Registry Service)

Commercial:

- Business Plateau Checking
- Business Plateau Plus Checking
- Business Plateau Premium
- Business Plateau Non-Profit

## Consumer Account – Product Fees:

*The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account.*

| | |
|---|---|
| Replace lost ATM/Debit Card ……..... | $10.00 |
| Cashier's check (purchased by customer) …… | $5.00 |
| Cashier's check (purchased by non-customer) ……..…….. | $25.00 |
| Chargeback fee (returned deposited item) (per item) …….……. | $5.00 |
| Counter check (pack of 10) …….. | $5.00 |
| Dormant account fee (non-refundable) (per month) …… | $5.00 |
| Excess w/d from savings or money market (per item over 6) ……. | $5.00 |
| Overdraft fees: | |
| Account balance >$35.00 (per item) ……. | $35.00 |
| Auto-sweep transfer (per occurrence) …….. | $15.00 |
| Extended overdraft fee (overdrawn 7+ consecutive business days) …… | $3.00 |
| Garnishments …… | $125.00 |
| Levies ……... | $125.00 |
| Account research (per hour) ……. | $20.00 |
| Stop payment order (per oder)…… | $35.00 |

| | |
|---|---|
| Checks sent for collection (per item) …….…..… | $15.00 |
| Balance inquires at ATMS we do not own (per inquiry) ..…… | $1.00 |
| Withdrawals from ATM we do not own (per withdrawal) ……... | $1.00 |
| Wires | |
| Domestic outgoing (customer) ……..……. | $25.00 |
| Foreign outgoing (customer) ….……. | $50.00 |
| Safe deposit boxes – price varies per size | |
| Late payment fee ……...…… | $10.00 |
| Replace lock ….……..……...…. | $125.00 |
| Replace key ….……...… | $35.00 |

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**Loan Products**

Capon Valley Bank offers various loan products including, but not limited to:

- Automobile loans
- Recreational loans
- Farm and agriculture loans
- Equipment loans
- Unsecured loans
- Mortgage loans
- Real estate-secured loans
- Construction loans
- Business term loans
- Commercial real estate loans
- Consumer lines of credit
- Home equity lines of credit
- Commercial lines of credit

**Products and Services**

Capon Valley Bank offers a variety of additional consumer products and services including:

- Internet, telephone, and mobile banking
- Online billpay, including the person-to-person Zelle product
- My Credit Score from Transunion – via CVB mobile app
- Tokenization products (ApplePay, Googlepay, and SamsungPay)
- Mobile deposit
- Prepaid gift cards

Business suite features by Capon Valley Bank include:

- Remote deposit capture
- Merchant processing
- Direct deposit
- Payroll origination
- Sweep account

# 7. Loan to Deposit Ratios for Q1 2024 -Q2 2026

# Loan to Deposit Ratios

Capon Valley Bank reports the following loan to deposit ratios for each quarter in the prior and current year:

- As of March 31, 2025: 79.53%
- As of June 30, 2025: 75.60%
- As of September 30, 2025: 80.56%
- As of December 31, 2025: 81.77%
- As of March 31, 2026: 82.55%
- As of June 30, 2026: 83.23%

# 8. Bank Locations and Hours of Operation

# Bank Location and Hours of Operation

**Bank Locations:**

Capon Valley Bank currently has five locations:

**Wardensville – Main Office**
2 West Main St.
Wardensville, WV
26851
Phone 304-874-3531

**Moorefield – Full Service Branch**
717 North Main St.
Moorefield, WV
26836
Phone 304-530-7714

**Baker – Full Service Branch**
17588 State Route 55
Baker, WV
26801
Phone 304-897-7177

**Western Frederick – Full Service Branch**
6701 Northwestern Pike
Gore, VA
22637
Phone 540-858-3010

**Stephens City – Full Service Branch**
5511 South Main St.
Stephens City, VA
22655
Phone 540-868-1140

**Winchester North – Full Service Branch**
241 Ezra Lane
Winchester, VA
22603
Phone 540-686-1960

**Hours of Operations**

Capon Valley Bank hours of operation are 9 AM until 5 PM, Monday through Friday. Capon Valley Bank drive through windows are open Saturdays, 8:30 AM until 12 PM.
*Note: Capon Valley Bank opens the drive through windows 30 minutes before the lobby, 8:30 AM, until close every business day.*

**Opened and Closed Branches**

Capon Valley Bank opened the Winchester North branch in June 2026. No branches have been closed during the prior two calendar years.

**Home Mortgage Disclosure Act Notice**

The Home Mortgage Disclosure Act (HMDA) data about Capon Valley Bank's residential mortgage lending is available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrower; and information about loan approvals and denials.

These data are available online at the consumer Financial Protection Bureau's website (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this website.

# 9. Public Comments & Bank Responses

## Public Comments & Bank Responses

Capon Valley Bank did not receive any written comments related to its CRA performance in the prior two calendar years.