

JEFFERSON SECURITY BANK

Community Reinvestment Act

Public File

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.

At least 30 days before the beginning of each calendar quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination for the next two quarters. This list is available from the Regional Director, FDIC (address). You may send written comments about our performance in helping to meet community credit needs to (name and address of official at bank) and 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 JSB Financial Inc., a bank holding company. You may request from the Banking Applications Manager, Federal Reserve Bank of Richmond, 701 East Byrd Street, Richmond, VA 23219 an announcement of applications covered by the CRA filed by bank holding companies.

Home Mortgage Disclosure Act Notice

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protection Bureau's website (www.consumerfinance.gov/hmda).

Written Comments

There have been no written comments from the public received for the current year or the previous two calendar years that specifically relate to our performance in helping to meet the community credit needs in our assessment area.

PUBLIC DISCLOSURE

March 4, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Jefferson Security Bank
Certificate Number: 9997

105 East Washington Street
Shepherdstown, West Virginia 25443

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 Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- The bank originated a majority of its home mortgage and small business loans in the assessment areas.
- The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of loans 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 bank did not receive any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The bank demonstrated adequate responsiveness to community development needs of its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the bank's capacity and the need and availability of such opportunities for community development in its assessment areas.

DESCRIPTION OF INSTITUTION

Background

Jefferson Security Bank is a state non-member bank headquartered in Shepherdstown, West Virginia. The bank is a wholly-owned subsidiary of JSB Financial Inc., a financial holding company also headquartered in Shepherdstown, West Virginia. Jefferson Security Bank received a Satisfactory Community Reinvestment Act (CRA) rating at the previous FDIC Performance Evaluation, dated January 19, 2021, based on Small Institution Examination Procedures.

Jefferson Security Bank operates six branch offices, including five full-service branch offices in West Virginia and one drive-thru only branch office in Maryland. The main office and two branch offices are located in Jefferson County, West Virginia with two branch offices are located in Berkeley County, West Virginia and one branch office in Washington County, Maryland. The bank has not opened or closed any branch offices, and no merger or acquisition activities have occurred, since the previous CRA evaluation.

Jefferson Security Bank offers a variety of products and services to meet the banking needs of its assessment areas. The bank's primary business focus remains residential lending, followed by commercial lending. Consumer-purpose loans offered include home mortgage loans, home equity loans, automobile loans, installment loans, and credit cards. The bank also offers a variety of commercial loans. Deposit products offered include checking, savings, money market, certificates of deposit, and individual retirement accounts. Alternative systems for delivering retail banking services include 24-hour automated teller machines (ATMs) located at each branch office as well as 16 additional ATMs in the surrounding area, internet banking (including online bill pay), mobile banking (including mobile check deposit), and 24-hour telephone banking.

According to the December 31, 2023, Consolidated Reports of Condition and Income, Jefferson Security Bank had total assets of \$500.6 million, total loans of \$351.7 million, and total deposits of \$426.1 million. As illustrated in the following table, the loan portfolio continues to consist primarily of loans secured by one-to-four family residential properties at 62.3 percent, followed by loans secured by nonfarm, nonresidential properties at 16.4 percent. The totals as of December 31, 2023, represent an increase in loans secured by one-to-four family residential properties and a decline in loans secured by nonfarm, nonresidential loans from the previous CRA evaluation, when the loan categories totaled 55.3 percent and 21.3 percent, respectively.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	41,175	11.7
Secured by Farmland	2,482	0.7
Secured by 1-4 Family Residential Properties	219,033	62.3
Secured by Multifamily (5 or more) Residential Properties	19,359	5.5
Secured by Nonfarm Nonresidential Properties	57,706	16.4
Total Real Estate Loans	339,755	96.6
Commercial and Industrial Loans	5,545	1.6
Agricultural Production and Other Loans to Farmers	11	0.0
Consumer Loans	5,194	1.5
Other Loans	1,957	0.5
Less: Unearned Income	(750)	(0.2)
Total Loans	351,712	100.0
<i>Source: Consolidated Reports of Condition and Income 12/31/2023</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Jefferson Security Bank operates within two designated assessment areas within two rated areas. The Jefferson County assessment area includes all of Jefferson County, West Virginia, which is part of the Washington-Arlington-Alexandria, DC-VA-MD-WV Multi-state Metropolitan Statistical Area (MSA). Performance in the West Virginia rated area is based solely on the Jefferson County assessment area. The Hagerstown MSA assessment area includes all of Berkeley County, West Virginia and 3 of 36 census tracts in Washington County, Maryland, which are part of the Hagerstown-Martinsburg, MD-WV Multi-State MSA. Refer to the rated areas for additional information.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated January 19, 2021, to the current evaluation dated March 4, 2024. Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate Jefferson Security Bank’s CRA performance. As described in the Appendices, these procedures include a Lending Test and Community Development Test.

Examiners conducted full-scope reviews of the Jefferson County and Hagerstown MSA assessment areas as each rated areas only contained one assessment area. Examiners gave more weight to bank activities in the Hagerstown MSA assessment area due to it encompassing the majority of loan activity, by both number of loans and dollar volume, and comparable branching during the

evaluation period. The following table details the breakdown of loans, deposits, and branch offices by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches								
Assessment Area	Loans				Deposits		Branches	
	#	%	\$(000s)	%	\$(000s)	%	#	%
Jefferson County	212	36.7	66,774	39.3	264,530	63.8	3	50.0
Hagerstown MSA	366	63.3	103,053	60.7	150,245	36.2	3	50.0
Total	578	100.0	169,827	100.0	414,775	100.0	6	100.0

Source: 2021, 2022, and 2023 HMDA Data; Bank Records; and FDIC Summary of Deposits (6/30/2023)

Activities Reviewed

Jefferson Security Bank’s major product line is home mortgage loans, followed by small business loans. In reaching this conclusion, examiners considered the bank’s business strategy and the number and dollar volume of loans originated during the evaluation period. Home mortgage loans received greater weight in the overall Lending Test conclusions, as they constitute the largest number of loan originations during the evaluation period and were the bank’s primary business focus throughout the review period. No other loan type, such as small farm loans, represents a major product line and therefore is not included in the review.

For the Lending Test, examiners reviewed the universe of home mortgage loan originated reported on the 2021, 2022, and 2023 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. In 2021, 2022, and 2023, the bank originated 224 loans totaling \$69.7 million, 240 loans totaling \$84.0 million, and 154 loans totaling \$43.6 million, respectively. For comparison purposes, examiners analyzed 2021 performance based on 2015 American Community Survey (ACS) data and 2021 aggregate lending data with 2022 performance compared to 2020 U.S. Census data and 2022 aggregate lending data. Performance in 2023 was compared to 2020 U.S. Census data as 2023 aggregate data was not available. Examiners identified no significant differences in home mortgage lending performance during 2021, 2022, and 2023 that materially affected conclusions. Therefore, 2022 performance is presented for the Geographic Distribution and Borrower Profile conclusions, as it is the most recent year for which aggregate lending data is available.

For the Lending Test, examiners also reviewed the universe of small business loans originated in 2023. The bank originated 35 small business loans totaling \$4.2 million in 2023. As a non-reporter of CRA data, aggregate small business lending data is not used for comparison purposes. Therefore, examiners compared the bank’s 2023 small business lending performance to 2023 D&B business demographic data.

For the Community Development Test, examiners reviewed information provided by bank management regarding community development loans, qualified investments, and community development services from January 19, 2021, through March 4, 2024. Qualified investments include new investments and donations, as well as prior period-qualified investments still held by the bank. Of note, Jefferson Security Bank became subject to the Community Development Test as of January 1, 2022, based on its asset size exceeding the Intermediate Small Bank asset threshold for both of the prior two calendar years.

While the tables throughout this evaluation present both the number and dollar volume of loans within the Lending Test, examiners emphasized performance by number of loans, as number of loans is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated satisfactory. Lending levels are reasonable given the institution’s size and financial condition and the assessment areas’ credit needs, and the bank originated a majority of loans within the assessment areas. The Geographic Distribution of loans reflects reasonable dispersion throughout the assessment area, and the Borrower Profile reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

Loan-to-Deposit Ratio

The net loan-to-deposit ratio is reasonable, given the institution’s size, financial condition, and assessment areas’ credit needs. The net loan-to-deposit ratio averaged 69.7 percent over the previous 12 calendar quarters from March 31, 2021, to December 31, 2023. Over this period, the quarterly net loan-to-deposit ratio ranged from a low of 61.3 percent as of September 30, 2021, to a high of 81.7 percent as of December 31, 2023. The quarterly net loan-to-deposit ratio exhibited an increasing trend during most of the evaluation period, primarily resulting from loan growth outpacing deposit growth. Specifically, Jefferson Security Bank’s net loan-to-deposit ratio increased from 69.2 percent as of December 31, 2020, to 81.7 percent as of December 31, 2023.

Examiners identified two similarly situated institutions that are comparable in terms of asset size, bank structure, lending focus, and/or market area served. The similarly situated institutions include CNB Bank, Inc., Berkeley Springs, West Virginia and Bank of Charles Town, Charles Town, West Virginia. The average net loan-to-deposit ratio for Jefferson Security Bank but in a reasonable range of the similarly situated institutions’ average net loan-to-deposit ratio, as illustrated in the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 \$(000s)	Average Net Loan-to-Deposit Ratio (%)
Jefferson Security Bank	\$500,613	69.7
CNB Bank, Inc.	\$611,906	81.2
Bank of Charles Town	\$829,546	86.1
<i>Source: Consolidated Reports of Condition and Income</i>		

Assessment Area Concentration

The bank originated a majority of home mortgage and small business loans by number and dollar volume within the assessment areas. The following table illustrates the distribution of lending inside and outside of the assessment areas.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	203	90.6	21	9.4	224	62,070	89.1	7,607	10.9	69,677
2022	207	86.3	33	13.8	240	66,915	79.7	17,076	20.3	83,991
2023	135	87.7	19	12.3	154	36,788	84.4	6,809	15.6	43,597
Subtotal	545	88.2	73	11.8	618	165,773	84.0	31,492	16.0	197,265
Small Business										
2023	33	94.3	2	5.7	35	4,054	96.4	150	3.6	4,204
Total	578	88.5	75	11.5	653	169,827	84.3	31,642	15.7	201,469

Source: 2021, 2022, and 2023 HMDA Data and Bank Records.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Performance is consistent throughout the rated areas. Refer to the Geographic Distribution section of each assessment area for further details.

Borrower Profile

The distribution of loans reflects, given the demographics of the assessment areas, reasonable penetration among borrowers of different income levels and businesses of different sizes. Performance is consistent throughout the rated areas. Refer to the Borrower Profile section of each assessment area for further details.

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.

COMMUNITY DEVELOPMENT TEST

The Community Development Test is rated satisfactory. The bank's community development performance demonstrated adequate responsiveness to community development needs in the assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas. The overall conclusions are consistent with the performance in each rated area.

Community Development Loans

The bank originated or refinanced 69 community development loans totaling \$18.1 million during the evaluation period. The community development loans include 49 loans totaling \$1.2 million originated under the Small Business Administration Paycheck Protection Program (PPP), and one loan totaling \$1.8 million that benefitted a regional area outside of the assessment areas. Considering the bank’s core lending program, excluding the PPP loans, the community development loans account for 3.7 percent of average total assets and 5.9 percent of average total loans since the previous CRA evaluation. The level of community development loans is comparable to that of similarly situated institutions.

The following table details the community development loans during the evaluation period by year and purpose.

Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
1/19/2021-12/31/2021	3	2,588	1	1,600	1	592	50	2,446	55	7,226
2022	1	608	1	220	1	300	5	5,274	8	6,402
2023	1	430	-	-	3	2,385	2	1,705	6	4,520
YTD 2024	-	-	-	-	-	-	-	-	-	-
Total	5	3,626	2	1,820	5	3,277	57	9,425	69	18,148

Source: Bank Data.

The following is the community development loan originated in the broader regional area.

- In 2022, the bank originated a loan totaling \$1.8 million to fund the purchase and renovation of a vacant building with no plumbing or electrical. The building is located in a moderate-income census tract of the central business district, across the street from a designated Opportunity Zone. Opportunity Zones are an economic tool to spur economic growth and job creation in low-income communities. The loan proceeds transformed the vacant building into a modernized office space, which promoted revitalization in the moderate-income census tract.

Qualified Investments

The bank made or retained 33 qualified investments totaling \$6.4 million during the evaluation period. Qualified investments include 3 investments totaling \$4.8 million and 30 donations totaling \$1.6 million. Total qualified investments equate to 1.4 percent of average total assets and 4.9 percent of average total securities since the previous CRA evaluation. The bank’s level of qualified investments is comparable to that of similarly-situated institutions.

The bank made 1 investment totaling \$1.0 million and 3 donations totaling \$1.6 million to state-wide affordable housing organizations in West Virginia. Additionally, the bank made 14 donations totaling \$39,950 to organizations that support affordable housing and community services initiatives throughout both of the bank’s assessment areas. These qualified investments are included at the

bank-wide level rather than the assessment area level. As a result, performance in the Hagerstown-MSA assessment area appears low but is adequate overall when considering the qualified investments benefitting both assessment areas.

The following table details the bank’s qualified investments during the evaluation period by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	1	395	1	395
1/19/2021-12/31/2021	-	-	1	3,410	-	-	-	-	1	3,410
2022	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-
YTD 2024	1	1,000	-	-	-	-	-	-	1	1,000
Subtotal	1	1,000	1	3,410	-	-	1	395	3	4,805
Qualified Grants & Donations	4	1,578	25	62	1	5	-	-	30	1,645
Total	5	2,578	26	3,472	1	5	1	395	33	6,450

Source: Bank Data.

The following are notable examples of qualified investments made during the evaluation period to organizations that serve both assessment areas or serve a broader state-wide area that includes the assessment areas.

- In 2024, the bank purchased one investment totaling \$1.0 million in a state-wide housing development fund. The investment fund finances affordable housing loans to low- and moderate-income, first-time homebuyers throughout West Virginia.
- From 2021 through 2023, the bank made 3 donations totaling \$1.6 million to a grant program developed by a housing development fund in West Virginia that supports projects and programs that lead to stable housing for those who are homeless or at risk of becoming homeless. The funds supported a housing stability coalition as well as transitional and permanent housing programs in West Virginia.
- From 2021 through 2023, the bank made 3 donations totaling \$15,000 to a non-profit organization that operates a food pantry for low- and moderate-income families in Berkeley and Jefferson Counties. The donations supported community services throughout the assessment areas.

Community Development Services

Bank representatives provided 65 community development services during the evaluation period. Community development services included bank representatives serving in a leadership position for community services organizations, and teaching financial literacy classes to low- and moderate-income individuals and students at schools where more than 50.0 percent receive free or reduced-price meals. Although not innovative, the bank’s community development services demonstrate responsiveness

to the assessment areas' community development needs, especially when considering limited opportunities during the COVID-19 Pandemic. The level of community development services is below that of similarly situated institutions.

Bank representatives provided 36 community development services to organizations that support community services initiatives throughout both of assessment areas, as they are contiguous. These community development services are included at the bank-wide level rather than the assessment area level. As a result, performance in the Hagerstown MSA assessment area appears low but is adequate overall when considering the community development services benefitting both assessment areas. The following table details community development services provided during the evaluation period by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
1/19/2021-12/31/2021	-	7	-	-	7
2022	-	20	-	-	20
2023	-	27	-	-	27
YTD 2024	-	11	-	-	11
Total	-	65	-	-	65
<i>Source: Bank Data.</i>					

The following are notable examples of community development services that benefitted both assessment areas during the evaluation period.

- From 2021 to 2024, a bank representative served on the Board and as Campaign Committee Chair of a non-profit organization that provides support to low- and moderate-income individuals throughout Berkeley, Jefferson, and Morgan Counties in West Virginia with various needs, including utility assistance, critical healthcare services, food pantries, and financial education. Two additional bank representatives served on the organization's Finance Committee from 2021 to 2024.
- From 2022 to 2024, a bank representative served as President and Investment Committee Chair of a foundation that awards grants to non-profit organizations providing healthcare, housing, and human welfare services to low- and moderate-income individuals throughout Berkeley, Jefferson, and Morgan Counties in West Virginia.
- From 2021 to 2024, two bank representatives served on the Board and Finance Committee of a non-profit organization that provides essential community services to youth throughout Berkeley, Jefferson, and Morgan Counties in West Virginia who have experienced neglect or abuse. Additionally, in 2023 and 2024, a bank representative served on the organization's Executive Committee and as Treasurer.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

HAGERSTOWN-MARTINSBURG, MD-WV MULTI-STATE MSA – Full-Scope Review

CRA RATING FOR THE HAGERSTOWN-MARTINSBURG, MD-WV MULTI-STATE MSA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN HAGERSTOWN-MARTINSBURG, MD-WV MULTI-STATE MSA

Jefferson Security Bank’s sole assessment area in the Hagerstown-Martinsburg, MD-WV Multi-State MSA includes all of Berkeley County, West Virginia and 3 of 36 census tracts in Washington County, Maryland. The bank operates 3 full-service branch offices in the assessment area, which account for 50.0 percent of total branch offices. The assessment area accounts for 36.2 percent of bank-wide deposits, 63.3 percent of bank-wide loans by number, and 60.7 percent of bank-wide lending by dollar volume.

Economic and Demographic Data

The demographic composition of the assessment area changed since the previous evaluation due to the 2020 U.S. Census data released by the FFIEC in April 2022. The 2020 U.S. Census data updated the 2015 ACS based on information collected from 2015 through 2020. As a result, there was an increase in the number of census tracts and income classification changes, which affected the bank’s assessment area. Specifically, based on the 2015 ACS data, the assessment area included 17 total census tracts: 3 moderate-, 11 middle-, and 3 upper-income census tracts. Based on the 2020 U.S. Census data, the assessment includes 29 total census tracts: 1 low-, 4 moderate-, 17 middle-, and 7 upper-income census tracts. For the Lending Test, examiners analyzed 2021 performance based on 2015 ACS data and analyzed 2022 and 2023 performance based on 2020 U.S. Census data.

The following table outlines select demographic characteristics of the assessment area based on the 2020 U.S. Census data and the 2023 D&B data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	29	3.4	13.8	58.6	24.1	0.0
Population by Geography	132,750	2.9	18.4	55.0	23.8	0.0
Housing Units by Geography	53,736	3.2	19.2	54.4	23.3	0.0
Owner-Occupied Units by Geography	37,497	1.9	15.4	57.6	25.1	0.0
Occupied Rental Units by Geography	12,166	6.1	32.7	45.9	15.2	0.0
Vacant Units by Geography	4,073	5.6	14.3	49.3	30.8	0.0
Businesses by Geography	10,578	4.5	22.2	48.8	24.5	0.0
Farms by Geography	589	1.4	9.2	55.5	34.0	0.0
Family Distribution by Income Level	33,117	20.7	17.7	22.3	39.3	0.0
Household Distribution by Income Level	49,663	21.0	15.8	21.4	41.8	0.0
Median Family Income - Hagerstown-Martinsburg, MD-WV MSA		\$77,963	Median Housing Value			\$195,996
			Median Gross Rent			\$1,044
			Families Below Poverty Level			7.4%
<i>Source: 2020 U.S. Census and 2023 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.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. Only 1.9 percent of the assessment area’s owner-occupied housing units and 4.5 percent of businesses are located in the sole low-income census tract, indicating limited lending opportunities in the tract.

Examiners used Federal Financial Institutions Examination Council (FFIEC) updated median family income levels for the Hagerstown-Martinsburg, MD WV Multi-state MSA to analyze home mortgage lending under the Borrower Profile criterion. The following table reflects low-, moderate-, middle-, and upper-income categories in the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$74,400)	<\$37,200	\$37,200 to <\$59,520	\$59,520 to <\$89,280	≥\$89,280
2022 (\$77,500)	<\$38,750	\$38,750 to <\$62,000	\$62,000 to <\$93,000	≥\$93,000
2023 (\$90,700)	<\$45,350	\$45,350 to <\$72,560	\$72,560 to <\$108,840	≥\$108,840
<i>Source: FFIEC</i>				

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue level. Of the assessment area’s businesses, 91.5 percent had gross annual revenues of \$1.0 million or less, 1.7 percent had gross annual revenues of more than \$1.0

million, and 6.8 percent had unknown revenues. Services industries represent the largest sector of business in the assessment area at 34.7 percent, followed by retail trade at 11.1 percent, and finance, insurance, and real estate at 9.6 percent. According to the Chamber of Commerce, major employers include WVU Medicine, Vandalia Health, and Walmart Associates, Inc.

Data obtained from the U.S. Bureau of Labor Statistics indicates a decline in the unemployment rate during the evaluation period. The unemployment rate in Berkeley County, West Virginia was below the state and national rates each year. The unemployment rate in Washington County, Maryland was below the national rate and consistent with the state rate, each year.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Berkeley County, WV	3.6	2.9	3.0
Washington County, MD	5.0	3.3	2.3
West Virginia	5.1	3.9	3.8
Maryland	5.3	3.2	2.1
National Average	5.4	3.7	3.6
<i>Source: U.S. Bureau of Labor Statistics (not seasonally adjusted)</i>			

Competition

The market is highly competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 17 financial institutions operate 70 branches within Berkeley and Washington Counties. Of these institutions, Jefferson Security Bank ranked 11th with a deposit market share of 2.8 percent. The 3 leading financial institutions included Truist Bank, Fulton Bank, National Association, and United Bank, accounting for 73.8 percent of the total deposit market share.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. According to 2022 Peer Mortgage Data (most recent available), 282 institutions reported 6,766 residential mortgage loans originated or purchased in the assessment area. By number of loans, Jefferson Security Bank ranked 16th with a market share of 2.0 percent. The top three lenders by number of loans include Pennymac Loan Services LLC, Rocket Mortgage, and Integrity Home Mortgage Corporation, accounting for 18.7 percent of the total market share.

Significant competition also exists in the assessment area for small business loans. Jefferson Security Bank is not required to report small business data and has elected not to report such information. Therefore, the analysis of small business loans under the Lending Test does not include a comparison against aggregate data. However, with regard to competition and demand for small business loans, aggregate data for 2022 indicates 86 lenders reported 5,241 small business loans in the assessment area. The top 3 lenders by number of loans include American Express National Bank; JP Morgan Chase Bank, NA; and Capital One, NA; accounting for 46.2 percent of the total market share.

Community Contact

As part of the CRA evaluation process, examiners typically contact community organizations, or utilize existing community contacts, to gain insight regarding the credit needs and economic conditions of an assessment area. For this evaluation, examiners reviewed a recently conducted community contact. The contact is familiar with the economic development needs of Berkeley County and stated that there is a need for affordable housing and small business funding, especially for start-up businesses.

Credit and Community Development Needs and Opportunities

Based on demographic information and economic data, examiners identified certain credit and community development needs and opportunities within the assessment area. The level of low- and moderate-income families at 20.7 percent and 17.7 percent, respectively, indicates a continuing need and opportunity to provide affordable housing. Additionally, a need and opportunity exists for small business loans considering the significant percentage of businesses with gross annual revenues of \$1.0 million or less (91.5 percent). The community contact further supported the need for, and opportunity to finance, affordable housing and small business loans.

SCOPE OF EVALUATION – HAGERSTOWN-MARTINSBURG, MD-WV MULTI-STATE MSA

Refer to the overall Scope of Evaluation section for additional details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE HAGERSTOWN- MARTINSBURG, MD-WV MULTI-STATE MSA

LENDING TEST

Jefferson Security Bank demonstrated satisfactory performance under the Lending Test. The reasonable Geographic Distribution and Borrower Profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Lending in the low-income census tract was above the aggregate lending and demographic data. Lending in the moderate-income census tracts was consistent with the percentage of owner-occupied housing units and aggregate lending data. The following table reflects the distribution of home mortgage loans within the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.9	1.7	4	3.0	1,923	5.0
Moderate	15.4	16.1	23	16.9	5,155	13.5
Middle	57.6	56.6	80	58.8	20,713	54.2
Upper	25.1	25.6	29	21.3	10,424	27.3
Totals	100.0	100.0	136	100.0	38,214	100.0

Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Lending in the low-income census tract was above the percentage of businesses in the tract. Small business lending in moderate-income census tracts was below, but in a reasonable range of, the percentage of businesses in the respective tracts. The following table reflects the distribution of small business loans within the assessment area.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.5	1	8.3	140	5.8
Moderate	22.2	2	16.7	430	17.9
Middle	48.8	8	66.7	1,785	74.2
Upper	24.5	1	8.3	50	2.1
Total	100.0	12	100.0	2,405	100.0

Source: 2023 D&B Data and Bank Data.

Borrower Profile

The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among borrowers of different income levels and businesses of different sizes.

Home Mortgage Loans

The distribution of loans reflects reasonable penetration among individuals of different income levels. Lending to low-income borrowers was substantially below demographic data but above aggregate lending data. Lending to moderate-income borrowers was below, but in a reasonable range of, demographic and aggregate lending data. The following table reflects the dispersion of home mortgage loans to borrowers of different income levels.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.7	3.9	9	6.6	889	2.3
Moderate	17.7	17.5	15	11.0	2,461	6.4
Middle	22.3	23.8	18	13.2	3,507	9.2
Upper	39.3	33.8	59	43.4	19,712	51.6
Not Available	0.0	21.0	35	25.8	11,646	30.5
Totals	100.0	100.0	136	100.0	38,214	100.0

Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.

Small Business Loans

The distribution of loans reflects reasonable penetration among businesses of different sizes. Lending performance was significantly below, b the percentage of businesses with gross annual revenues of \$1 million or less. While the bank is not a reporter for small business loans and aggregate data is not used as a comparison, the aggregate data can provided information on the level of demand as well as competition for small business loans. Aggregate data for 2022 reflects 52.5 percent of small business loans reported were to small businesses which indicates moderate demand. The bank’s lending is reflective of the demand within the assessment area. Of note, the bank originated 2 of the 12 loans to the same business with gross annual revenues of greater than \$1 million.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	91.5	7	58.3	1,001	41.6
> \$1,000,000	1.7	5	41.7	1,404	58.4
Revenue Not Available	6.8	-	-	-	-
Total	100.0	12	100.0	2,405	100.0

Source: 2023 D&B Data and Bank Data.

COMMUNITY DEVELOPMENT TEST

Jefferson Security Bank demonstrated satisfactory performance under the Community Development Test. The bank’s community development performance demonstrated adequate responsiveness to community development needs in the assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the assessment area.

Community Development Loans

The bank originated or refinanced 18 community development loans totaling \$7.9 million during the evaluation period. The following table details the community development loans during the evaluation period by year and purpose.

Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
1/19/2021-12/31/2021	3	2,588	-	-	-	-	9	209	12	2,797
2022	1	608	-	-	-	-	3	2,664	4	3,272
2023	1	430	-	-	-	-	1	1,425	2	1,855
YTD 2024	-	-	-	-	-	-	-	-	-	-
Total	5	3,626	-	-	-	-	13	4,298	18	7,924

Source: Bank Data.

The following are notable examples of community development loans originated during the evaluation period.

- In 2022 and 2023, the bank originated a loan totaling \$380,000 and refinanced the loan twice with new funds totaling \$2.3 million to fund the purchase and renovation of a vacant commercial building located in a moderate-income census tract in downtown Martinsburg, designated as an Opportunity Zone.
- In 2021, the bank originated a loan totaling \$1.3 million to fund the purchase of a multi-family apartment building in that provides affordable housing. All 23 units have rents substantially below HUD median rents in the area.
- In 2021, the bank originated nine PPP loans totaling \$208,935 to nine businesses located in low- or moderate-income census tracts in the assessment area. The PPP loans helped to stabilize businesses located in these areas by providing payroll funds and operating expenses during the COVID-19 Pandemic.

Qualified Investments

The bank did not make qualified investments that solely benefited the assessment area. As noted in the bank-wide qualified investments section, the bank made 14 donations totaling \$39,950 to organizations that support affordable housing and community services initiatives in Jefferson and Berkeley Counties in West Virginia as well as state-wide investments and donations that impact the assessment area. Therefore, these qualified investments are included at the bank-wide level rather than the assessment area level.

Community Development Services

Bank representatives did not provide community development services that solely benefited the assessment area. As noted in the bank-wide community development services summary, bank representatives provided 36 community development services to organizations that support

community services initiatives in Jefferson and Berkeley Counties in West Virginia. The two counties cover both of the bank's assessment areas, as they are contiguous. Therefore, these community development services are included at the bank-wide level rather than the assessment area level. All 36 community development services resulted from bank representatives serving in leadership positions for community development organizations serving low- and moderate-income individuals.

WEST VIRGINIA – Full-Scope Review

CRA RATING FOR WEST VIRGINIA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WEST VIRGINIA

Jefferson Security Bank’s sole assessment area in West Virginia includes all of Jefferson County, West Virginia, which is part of the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA. The bank operates its main office and two full-service branch offices in the assessment area, which accounts for 50.0 percent of total branch offices. The assessment area also accounts for 63.8 percent of bank-wide deposits, 36.7 percent of bank-wide loans by number, and 39.3 percent of bank-wide lending by dollar volume.

Economic and Demographic Data

The demographic composition of the assessment area changed since the previous evaluation due to the 2020 U.S. Census data released by the FFIEC in April 2022. The 2020 U.S. Census data updated the 2015 ACS based on information collected from 2015 through 2020. As a result, multiple census tracts had income classification changes, which affected the assessment area. Based on the 2015 ACS data, the assessment area included 3 low-, 7 moderate-, and 5 middle-income census tracts. Based on the 2020 U.S. Census data, the assessment includes 11 moderate- and 4 middle-income census tracts. For the Lending Test, examiners analyzed 2021 performance based on 2015 ACS data and analyzed 2022 and 2023 performance based on 2020 U.S. Census data.

The following table outlines select demographic characteristics of the assessment area based on the 2020 U.S. Census data and the 2023 D&B data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	0.0	73.3	26.7	0.0	0.0
Population by Geography	57,701	0.0	63.3	36.7	0.0	0.0
Housing Units by Geography	23,391	0.0	66.9	33.1	0.0	0.0
Owner-Occupied Units by Geography	16,474	0.0	61.5	38.5	0.0	0.0
Occupied Rental Units by Geography	4,483	0.0	83.8	16.2	0.0	0.0
Vacant Units by Geography	2,434	0.0	72.4	27.6	0.0	0.0
Businesses by Geography	5,598	0.0	66.4	33.6	0.0	0.0
Farms by Geography	350	0.0	58.9	41.1	0.0	0.0
Family Distribution by Income Level	14,525	28.2	22.3	26.2	23.3	0.0
Household Distribution by Income Level	20,957	31.3	19.3	21.5	27.8	0.0
Median Family Income - Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		\$126,224	Median Housing Value			\$259,018
			Median Gross Rent			\$1,093
			Families Below Poverty Level			7.1%

Source: 2020 U.S. Census and 2023 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 small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The assessment area does not include any low- or upper-income census tracts. The moderate-income census tract represent a majority of the owner-occupied housing units and businesses, indicating potential lending opportunities.

Examiners used FFIEC-updated median family income levels for the Washington-Arlington-Alexandria, DC-VA-MD-WV Multi-state MSA were used to analyze home mortgage lending under the Borrower Profile criterion. The following table reflects low-, moderate-, middle-, and upper-income categories in the assessment area, by year. Of note, a significant number of the assessment area’s families are low- or moderate-income, at 28.2 percent and 22.3 percent, respectively. These families may face difficulty in qualifying for a conventional home mortgage loan, especially given the median housing value.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$122,100)	<\$61,050	\$61,050 to <\$97,680	\$97,680 to <\$146,520	≥\$146,520
2022 (\$139,700)	<\$69,850	\$69,850 to <\$111,760	\$111,760 to <\$167,640	≥\$167,640
2023 (\$150,100)	<\$75,050	\$75,050 to <\$120,080	\$120,080 to <\$180,120	≥\$180,120

Source: FFIEC

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue level. Of the assessment area’s businesses, 91.9 percent had gross annual revenues of \$1.0 million or less, 1.8 percent had gross annual revenues of more than \$1.0 million, and 6.3 percent had unknown revenues. Services industries represent the largest sector of business in the assessment area at 36.2 percent, followed by finance, insurance, and real estate at 9.6 percent, and retail trade at 9.3 percent. According to the Chamber of Commerce, major employers include PNGI Charles Town Gaming LLC, Jefferson County Board of Education, and Shepherd University.

Data obtained from the U.S. Bureau of Labor Statistics indicates a decline in the unemployment rate during the evaluation period. As illustrated in the following table, the unemployment rate in Jefferson County declined from 2021 to 2022, and remained stable in 2023. Jefferson County’s unemployment rate was below the state and national rates each year.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Jefferson County	3.1	2.5	2.6
West Virginia	5.1	3.9	3.8
National Average	5.4	3.7	3.6

Source: U.S. Bureau of Labor Statistics (not seasonally adjusted)

Competition

The market is moderately competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 6 financial institutions operated 13 branches within the assessment area. Of these institutions, Jefferson Security Bank ranked 2nd with a deposit market share of 22.5 percent. The 3 leading financial institutions include Bank of Charles Town, Jefferson Security Bank, and Truist Bank, accounting for 73.8 percent of the total deposit market share.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. According to 2022 Peer Mortgage Data, 208 institutions reported 2,659 residential mortgage loans originated or purchased in the assessment area. By number of loans, Jefferson Security Bank ranked 8th with a market share of 2.7 percent. The top three lenders by number of loans included Rocket Mortgage, Truist Bank, and Pennymac Loan Services LLC, accounting for 19.3 percent of the total market share.

Significant competition also exists in the assessment area for small business loans. Jefferson Security Bank is not required to report small business data, and has elected not to report such information. Therefore, the analysis of small business loans under the Lending Test does not include a comparison against aggregate lending data. However, with regard to competition for small business loans, aggregate lending data for 2022 indicates 43 lenders reported 1,030 small business loans in the assessment area. This performance indicates significant competition for small business loans. The top 3 lenders by number of loans included American Express National Bank; JPMorgan Chase Bank, NA; and Citibank, NA, accounting for 49.4 percent of the total market share.

Community Contact

As part of the CRA evaluation process, examiners typically contact community organizations, or utilize existing community contacts, to gain insight regarding the credit needs and economic conditions of an assessment area. For this evaluation, examiners conducted a community contact with an organization that serves the community development needs of Jefferson County. The contact stated there is a large homeless population in Jefferson County, resulting in a significant need for affordable housing.

Credit and Community Development Needs and Opportunities

Based on demographic information and economic data, examiners identified certain credit and community development needs and opportunities within the assessment area. The high number of low- and moderate-income families at 28.2 percent and 22.3 percent, respectively, indicates a continuing need and opportunity to provide affordable housing. The community contact further supported the need for, and opportunity to finance, affordable housing in Jefferson County. Additionally, a need and opportunity exists for small business loans considering the significant percentage of businesses with gross annual revenues of \$1.0 million or less (91.9 percent).

SCOPE OF EVALUATION – WEST VIRGINIA

Refer to the overall Scope of Evaluation section for additional details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WEST VIRGINIA

LENDING TEST

Jefferson Security Bank demonstrated satisfactory performance under the Lending Test. The reasonable Geographic Distribution and Borrower Profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As previously noted, there are no low- or upper-income census tracts in the assessment area. Lending in moderate-income census tracts was above the percentage of owner-occupied housing units and aggregate lending data. The following table reflects the distribution of home mortgage loans within the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	61.5	64.6	49	69.0	16,827	58.6
Middle	38.5	35.4	22	31.0	11,873	41.4
Totals	100.0	100.0	71	100.0	28,700	100.0

Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. As previously noted, there are no low- or upper-income census tracts in the assessment area. Lending in moderate-income census tracts was significantly above the percentage of business in the respective tracts. The following table reflects the distribution of small business loans within the assessment area.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	66.4	20	95.2	1,481	89.8
Middle	33.6	1	4.8	168	10.2
Total	100.0	21	100.0	1,649	100.0

Source: 2023 D&B Data and Bank Records.

Borrower Profile

The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among borrowers of different income levels and businesses of different sizes.

Home Mortgage Loans

The distribution of loans reflects reasonable penetration among individuals of different income levels. Lending to low-income borrowers was significantly below demographic data but consistent with aggregate lending data. Lending to moderate-income borrowers was below demographic data and well below aggregate lending data. Considering the assessment area's poverty rate of 7.1 percent and high median housing value of \$259,018 along with the median family income for low- and moderate-income families, lending opportunities to low-income and moderate-income borrowers are somewhat limited as these families may have difficulty qualifying for credit. The following table reflects the dispersion of home mortgage loans to borrowers of different income levels.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	28.2	17.2	11	15.5	1,621	5.6
Moderate	22.3	28.2	11	15.5	2,900	10.1
Middle	26.2	22.3	14	19.7	5,182	18.1
Upper	23.3	16.4	21	29.6	10,671	37.2
Not Available	0.0	15.8	14	19.7	8,326	29.0
Totals	100.0	100.0	71	100.0	28,700	100.0

Source: 2020 U.S. Census; 2022 HMDA Data; and, 2022 HMDA Aggregate Data.

Small Business Loans

The distribution of loans reflects reasonable penetration among businesses of different sizes. As illustrated in the following table, lending performance was below, but in a reasonable range of, the percentage of businesses with gross annual revenues of \$1 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	91.9	17	81.0	943	57.2
> \$1,000,000	1.8	4	19.0	706	42.8
Revenue Not Available	6.3	-	-	-	-
Total	100.0	21	100.0	1,649	100.0

Source: 2023 D&B Data and Bank Records.

COMMUNITY DEVELOPMENT TEST

Jefferson Security Bank demonstrated satisfactory performance under the Community Development Test. The bank’s community development performance demonstrated adequate responsiveness to community development needs in the assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the assessment area.

Community Development Loans

The bank originated or refinanced 50 community development loans totaling \$8.5 million during the evaluation period. The following table details the bank’s community development loans during the evaluation period by year and purpose.

Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
1/19/2021-12/31/2021	-	-	1	1,600	1	592	41	2,237	43	4,429
2022	-	-	1	220	1	300	1	860	3	1,380
2023	-	-	-	-	3	2,385	1	280	4	2,665
YTD 2024	-	-	-	-	-	-	-	-	-	-
Total	-	-	2	1,820	5	3,277	43	3,377	50	8,474

Source: Bank Data.

The following are notable examples of community development loans originated during the evaluation period.

- In 2021, the bank originated a loan totaling \$1.3 million to fund a portion of the costs related to a water plant upgrade project. The loan promoted stabilization, as Shepherdstown is primarily comprised of moderate-income census tracts.
- In 2021, the bank originated a loan totaling \$592,000 to fund the construction of a commercial building for a new business in a 400-acre business park located in a low-income census tract designated as an Opportunity Zone. The Jefferson County Development Authority, whose mission is to attract and retain businesses to facilitate job creation and capital, owns the business park. The loan promoted economic development by creating several jobs for low- and moderate-income individuals.
- In 2021, the bank originated 40 PPP loans totaling \$986,657 to 39 businesses located in low- and moderate-income census tracts in the assessment area. The PPP loans helped to stabilize businesses located in these areas by providing payroll funds and operating expenses during the COVID-19 Pandemic.

Qualified Investments

The bank made 15 qualified investments totaling \$3.8 million during the evaluation period. The bank continued to hold 1 qualified investment from a prior period totaling \$395,167, invested in 1 new investment totaling \$3.4 million, and provided 13 donations totaling \$27,000 to organizations with community services initiatives. The following table details the qualified investments during the evaluation period by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	1	395	1	395
1/192021-12/31/2021	-	-	1	3,410	-	-	-	-	1	3,410
2022	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-
YTD 2024	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	1	3,410	-	-	1	395	2	3,805
Qualified Grants & Donations	-	-	12	22	1	5	-	-	13	27
Total	-	-	13	3,432	1	5	1	395	15	3,832

Source: Bank Data.

The following are notable examples of qualified investments made or retained during the evaluation period.

- In 2021, the bank purchased a bond totaling \$3.4 million to provide funds for several improvements in the Jefferson County School District, in which a majority of students qualify for free or reduced-price meals. Planned improvements include constructing two new elementary schools and renovating several existing schools in Jefferson County. The investment supports community services.
- The bank continues to hold one prior period investment with a current book value of \$395,167. The bond provides financing for the construction and renovation of Shepherdstown’s potable water treatment, storage, and distribution system. The investment promotes stabilization, as Shepherdstown is primarily comprised of moderate-income census tracts.
- In 2023, the bank made a donation totaling \$5,000 to a non-profit organization in support of workforce development programs for low- and moderate-income individuals.

Community Development Services

Bank representatives provided 29 community development services during the evaluation period. Two bank representatives served in a leadership position for two organizations during the evaluation period. The remainder of the community development services include financial literacy and budgeting classes provided by bank representatives to low- and moderate-income individuals. The following table details community development services during the evaluation period, by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
1/19/2021-12/31/2021	-	1	-	-	1
2022	-	11	-	-	11
2023	-	16	-	-	16
YTD 2024	-	1	-	-	1
Total	-	29	-	-	29

Source: Bank Data.

The following are notable examples of community development services during the evaluation period.

- In 2022 and 2023, 19 bank representatives led a state-funded financial literacy program at middle schools in Jefferson County where a majority of students qualify for free or reduced-price meals.
- In 2023, a bank representative led three budgeting classes for low- and moderate-income individuals served by a non-profit organization that provides a homeless shelter, food pantry, medical care, rental eviction and utility termination assistance, and other critical services.
- In 2023 and 2024, a bank representative served on the Advisory Committee of the Board of Education. A majority of students in Jefferson County qualify for free or reduced-price meals, and a majority of the county is comprised of moderate-income census tracts.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
West Virginia	Satisfactory	Satisfactory	Satisfactory
Hagerstown-Martinsburg, MD-WV Multi-State MSA	Satisfactory	Satisfactory	Satisfactory

GLOSSARY

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

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

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

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

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

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

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Qualified Investment: A 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.

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

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.

**JEFFERSON SECURITY BANK
LIST OF OFFICES**

Name: **SHEPHERDSTOWN (Main Office)**
Street Address: 105 East Washington Street
 Shepherdstown, WV 25443
Geography: MSA 11694 State 54 County 037 Census Tract #9722.04
Hours of Service:

	<u>Lobby</u>		<u>Drive-Up</u>
Monday – Thursday	8:00 a.m. – 4:00 p.m.	Monday – Friday	8:00 a.m. – 6:00 p.m.
Friday	8:00 a.m. – 6:00 p.m.	Saturday	8:00 a.m. – 12:00 p.m.
Saturday	8:00 a.m. – 12:00 p.m.		
			<u>Walk-Up</u>
		Monday – Thursday	4:00 p.m. – 6:00 p.m.

Name: **CHARLES TOWN OFFICE**
Street Address: 873 East Washington Street, Suite 100
 Charles Town, WV 25414
Geography: MSA 11694 State 54 County 037 Census Tract #9725.05
Hours of Service:

	<u>Lobby</u>		<u>Drive-Up</u>
Monday – Thursday	8:00 a.m. – 4:00 p.m.	Monday – Friday	8:00 a.m. – 6:00 p.m.
Friday	8:00 a.m. – 6:00 p.m.	Saturday	8:00 a.m. – 12:00 p.m.
Saturday	8:00 a.m. – 12:00 p.m.		

Name: **MARTINSBURG OFFICE**
Street Address: 1861 Edwin Miller Blvd.
 Martinsburg, WV 25404
Geography: MSA 25180 State 54 County 003 Census Tract #9713.01
Hours of Service:

	<u>Lobby</u>		<u>Drive-Up</u>
Monday – Thursday	8:00 a.m. – 4:00 p.m.	Monday – Friday	8:00 a.m. – 6:00 p.m.
Friday	8:00 a.m. – 6:00 p.m.	Saturday	8:00 a.m. – 12:00 p.m.
Saturday	8:00 a.m. – 12:00 p.m.		

Name: **INWOOD OFFICE**
Street Address: 277 Mineral Drive
 Inwood, WV 25428
Geography: MSA 25180 State 54 County 003 Census Tract #9721.03
Hours of Service:

	<u>Lobby</u>		<u>Drive-Up</u>
Monday – Thursday	8:00 a.m. – 4:00 p.m.	Monday – Friday	8:00 a.m. – 6:00 p.m.
Friday	8:00 a.m. – 6:00 p.m.	Saturday	8:00 a.m. – 12:00 p.m.
Saturday	8:00 a.m. – 12:00 p.m.		

Name: **BARRON OFFICE**
 Street Address: 7994 Martinsburg Pike
 Shepherdstown, WV 25443
 Geography: MSA 11694 State 54 County 037 Census Tract #9722.04
 Hours of Service:

	<u>Lobby</u>		<u>Drive-Up</u>
Monday – Friday	9:00 a.m. – 5:00 p.m.	Monday – Friday	9:00 a.m. – 5:00 p.m.
Saturday	Closed	Saturday	Closed

Name: **SHARPSBURG OFFICE**
 Street Address: 103 West Main Street
 Sharpsburg, MD 21782
 Geography: MSA 25180 State 24 County 043 Census Tract #0116.00
 Hours of Service:

	<u>Lobby</u>		<u>Drive-Up</u>
Monday – Thursday	N/A	Monday – Friday	9:00 a.m. – 4:00 p.m.
Friday	N/A	Saturday	Closed
Saturday	N/A		

JEFFERSON SECURITY BANK

ATM LOCATIONS

At each of Jefferson Security Bank's locations, an automated teller machine (ATM) is accessible to the public 24 hours a day. This allows a Jefferson Security Bank debit cardholder (PLUS ATM or Visa debit card) to withdraw up to \$500.00 on any calendar day from Jefferson Security Bank ATM's or from one of the ATM's connected to the Bank's system. During that calendar day the Visa Debit cardholder may also obtain \$2,500.00 in point-of-sale purchases. A limited number of deposit account products may have lower withdrawal and point-of-sale limits. ATM systems which are connected to the Bank's system include INTERLINK, PLUS, and CIRRUS. Credit cards from the American Express, Master Card, or VISA systems may also be used at the ATM's for cash advances.

Shepherdstown Office

105 East Washington Street
Shepherdstown WV 25443
Census Tract # 9722.04

Charles Town Office

873 East Washington Street
Charles Town WV 25414
Census Tract # 9725.05

Martinsburg Office

1861 Edwin Miller Blvd.
Martinsburg WV 25404
Census Tract # 9713.01

Inwood Office

277 Mineral Drive
Inwood WV 25428
Census Tract: # 9721.03

Barron Office

7994 Martinsburg Pike
Shepherdstown WV 25443
Census Tract # 9722.04

Sharpsburg Office

103 W. Main Street
Sharpsburg, MD 21782
Census Tract # 0116.00

**JEFFERSON SECURITY BANK
BRANCHES OPENED/CLOSED IN THE PAST 2 YEARS**

OPENED

There have been no offices opened in the past two years.

CLOSED

There have been no offices closed in the past two years.

JEFFERSON SECURITY BANK

DEPOSIT PRODUCTS AND SERVICES OFFERED

CONSUMER ACCOUNTS

- 1) Simple Checking
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 2) Senior Checking (primary account holder age 62 and over)
- 3) Premier Checking (packaged account with Premier Savings)
\$5.00 monthly service charge, reduced by \$2.50 for direct deposit & \$0.50 for each point-of-sale transaction
Paperless statements are required
\$3.00 monthly Statement Processing Fee will apply if online banking account becomes inactive
- 4) Interest Checking (interest bearing)
\$7.50 monthly service charge if average ledger balance falls below \$1,000.00
\$0.20 Item Fee for every debit transaction if average ledger balance falls below \$1,000.00
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 5) Youth Checking (Ages 14-17, with co-owner over 18)
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 6) Christmas Club (interest bearing)
\$2.00 for each withdrawal prior to maturity
- 7) Youth Savings (interest bearing)
\$2.00 Item Fee per debit transaction after six debits in a statement cycle
- 8) Simple Savings (interest bearing)
\$2.00 monthly service charge if average ledger balance falls below \$50.00
\$2.00 Item Fee per debit transaction after six debits in a statement cycle
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 9) Premier Savings (interest bearing, packaged account with Premier Checking)
Paperless statements are required
\$3.00 monthly Statement Processing Fee will apply if online banking account becomes inactive
\$5.00 Item Fee per debit transaction after six debits in a statement cycle
- 10) Money Market (interest bearing)
\$7.50 monthly service charge if average ledger balance falls below \$1,000.00
\$0.20 Item Fee for every debit transaction if average ledger balance falls below \$1,000.00
\$5.00 Item Fee per debit transaction after six debits in a statement cycle
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 11) 2nd Chance Checking
\$9.95 monthly service charge
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 12) Certificates of Deposit
- 13) Individual Retirement Accounts

BUSINESS ACCOUNTS

- 1) Business Checking
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 2) Business Interest Checking (interest bearing)
\$7.50 monthly service charge if average ledger balance falls below \$1,000.00
\$0.25 Item Fee per transaction after 400 combined debit and credit transactions in a statement cycle
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 3) Non-Profit Checking
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 4) Business Money Market (interest bearing)
\$7.50 monthly service charge if average ledger balance falls below \$1,000.00
\$0.20 Item Fee per debit transaction if average ledger balance falls below \$1,000.00
\$5.00 Item Fee per debit transaction after six debits in a statement cycle
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 5) Business Premier Checking (packaged account with Business Premier Savings)
- 6) Business Savings (interest bearing)
\$2.00 monthly service charge if average ledger balance falls below \$100.00
\$2.00 Item Fee per debit transaction after six debits in a statement cycle
\$3.00 monthly Statement Processing Fee, waived with enrollment in paperless statements
- 7) Business Premier Savings (interest bearing, packaged account with Business Premier Checking)
\$5.00 Item Fee per debit transaction after six debits in a statement cycle
- 8) Certificates of Deposit

OTHER SERVICES

- Safe Deposit Box Rental
- Remote Deposit Anywhere (mobile check deposit)
- Notary Public
- Remote Deposit Capture
- Night Deposit Banking
- Mail Banking
- Telephone Banking
- Online Banking
- Mobile Banking
- Bill Pay, including person to person transfers
- Online payment portal for JSB loan and credit card payments
- Commercial Cash Management

Common Features

(Limits and Fees)

Jefferson Security Bank
PO Box 35
Shepherdstown, WV 25443-0035
(304) 876-9000

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

Overdraft Fee Categories. The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check or draft, in-person withdrawal, ATM withdrawal, or other electronic means.

OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES

*Overdraft Fee	\$30.00	per item
*NSF Fee	\$20.00	per item

*Combined Overdraft Fees and NSF Fees assessed on any given day will not exceed \$120.00.
See "Terms & Conditions of Your Account" for additional details.

RETAIL OPERATIONS FEES

Cashier's Checks	\$5.00	per item
Money Orders	\$3.00	per item
Chargeback Fee	\$5.00	per item
Wires Outgoing Domestic	\$25.00	per wire
Wires Outgoing Foreign	\$50.00	per wire
Foreign Currency	\$10.00	per order
• Other fees may apply		

MISCELLANEOUS FEES

Sweep Transaction Charge	\$5.00	per sweep
ATM Fee	\$2.75	per withdrawal
• Assessed for foreign ATM withdrawals. Visit www.jsb.bank for fee-free ATM locations.		
ATM/Debit Card Replacement	\$5.00	per card
Levy/Suggestion	\$100.00	per levy/suggestion

DEPOSIT OPERATIONS FEES

Research	\$20.00	per hour
Copy	\$2.00	per item
Stop Payment	\$28.00	per item
• Check/ACH		
Statement Copies	\$5.00	per statement
Statement Processing Fee	\$3.00	per statement
Dormant Service Charge Fee	\$5.00	per statement
• Applies to noninterest bearing Checking Accounts or Savings Accounts with a balance under \$500.00. Accounts are considered dormant after 365 days of inactivity.		

WITHDRAWAL LIMITATIONS

ATM or Debit Card Withdrawals

- You may withdraw no more than *\$500.00 per 24 hours.
- Debit card transactions may not exceed *\$2,500.00 per 24 hours.

*Lower limits may apply to select accounts.

Contact us if you need a temporary increase to this limit.

BRANCH INFORMATION

Shepherdstown Office	304-876-9000
Barron Office	304-876-2800
Charles Town Office	304-725-9752
Martinsburg Office	304-264-0900
Inwood Office	304-229-6000
Sharpsburg, MD Office	301-432-3900
24 Hour Telephone Banking	866-255-4190

JEFFERSON SECURITY BANK
CREDIT PRODUCTS AND SERVICES OFFERED

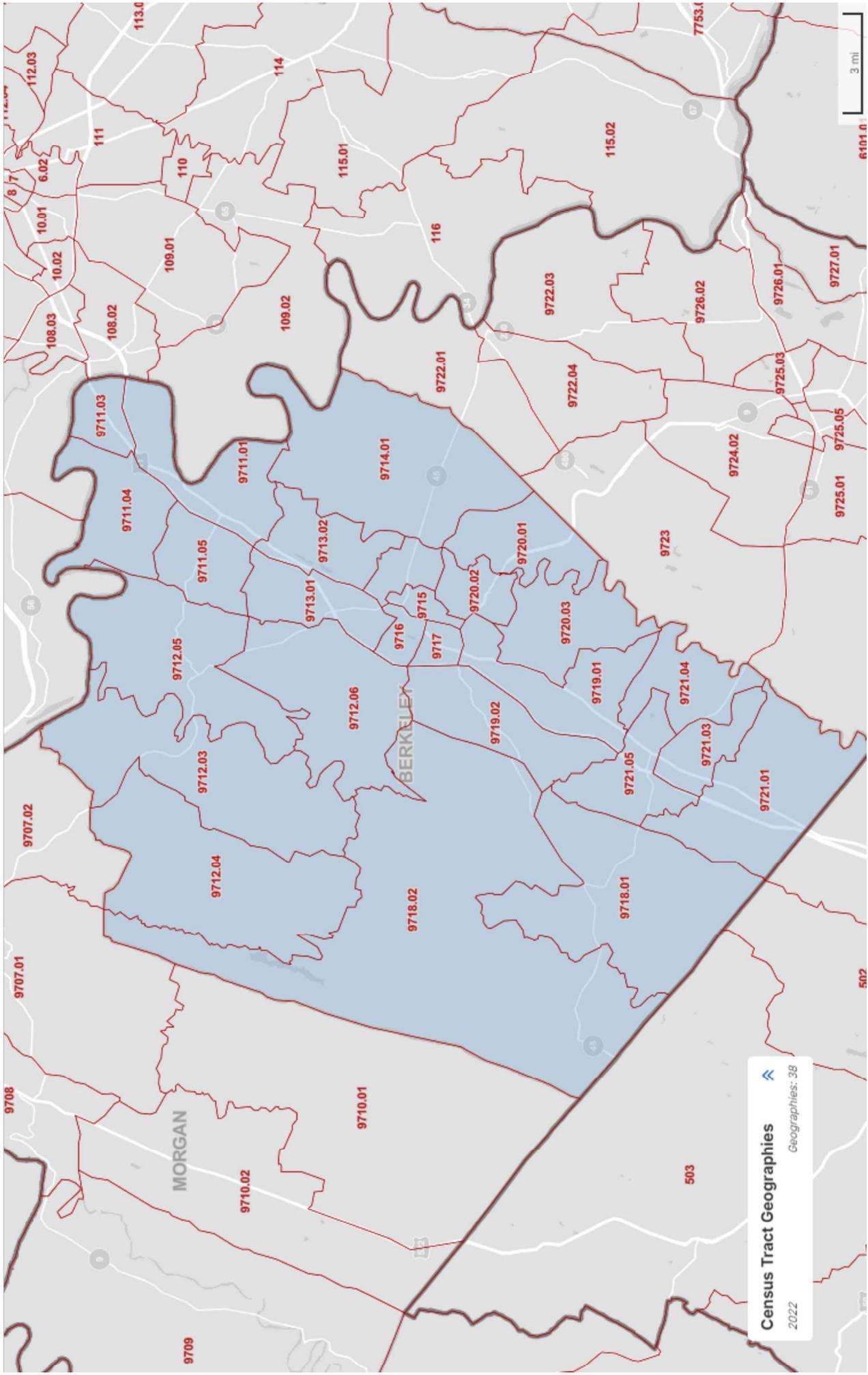
The following is a list of the normal and recurring types of credit extended when considered desirable by the Bank, provided that such loans meet the test of safe and sound lending practices.

- 1) Loans secured by marketable securities.
- 2) Loans secured by the assignment of deposit accounts.
- 3) Consumer and commercial revolving lines of credit.
- 4) Commercial loans to small and large businesses, including SBA (Small Business Administration) loans.
- 5) Commercial letters of credit.
- 6) Single payment loans both personal and business.
- 7) Unsecured installment personal loans.
- 8) Installment loans secured by new and used vehicles.
- 9) Installment loans secured by security agreement on consumer and commercial goods and inventories.
- 10) Farm loans, secured by livestock and/or other types of real estate and personal agricultural property.
- 11) Construction and long term real estate loans on commercial and industrial properties.
- 12) Construction and long term real estate loans on single and multifamily residential properties.
- 13) Home improvement loans.
- 14) Home equity lines of credit.
- 15) Adjustable rate mortgages for residential housing.
- 16) Fixed rate mortgages for residential housing.
- 17) Financing for nonprofit entities.
- 18) Credit cards.
- 19) Online consumer loan application.

JEFFERSON SECURITY BANK
Net Loan to Deposit Ratio

DATE	RATIO
March 31, 2016	54.51%
June 30, 2016	55.34%
September 30, 2016	56.22%
December 31, 2016	60.36%
March 31, 2017	61.14%
June 30, 2017	63.80%
September 30, 2017	65.30%
December 31, 2017	65.57%
March 31, 2018	70.51%
June 30, 2018	73.50%
September 30, 2018	73.95%
December 31, 2018	76.86%
March 31, 2019	74.95%
June 30, 2019	76.69%
September 30, 2019	74.92%
December 31, 2019	77.50%
March 31, 2020	74.41%
June 30, 2020	73.53%
September 30, 2020	70.19%
December 31, 2020	69.25%
March 31, 2021	67.38%
June 30, 2021	65.74%
September 30, 2021	61.29%
December 31, 2021	62.66%
March 31, 2022	61.70%
June 30, 2022	64.07%
September 30, 2022	67.97%
December 31, 2022	73.35%
March 31, 2023	75.41%
June 30, 2023	77.91%
September 30, 2023	77.52%
December 31, 2023	81.66%
March 31, 2024	79.95%
June 30, 2024	79.81%
September 30, 2024	73.15%
December 31, 2024	76.41%
March 31, 2025	76.16%
June 30, 2025	77.75%
September 30, 2025	76.80%
December 31, 2025	77.40%

All Census Tracts within Berkeley County, West Virginia

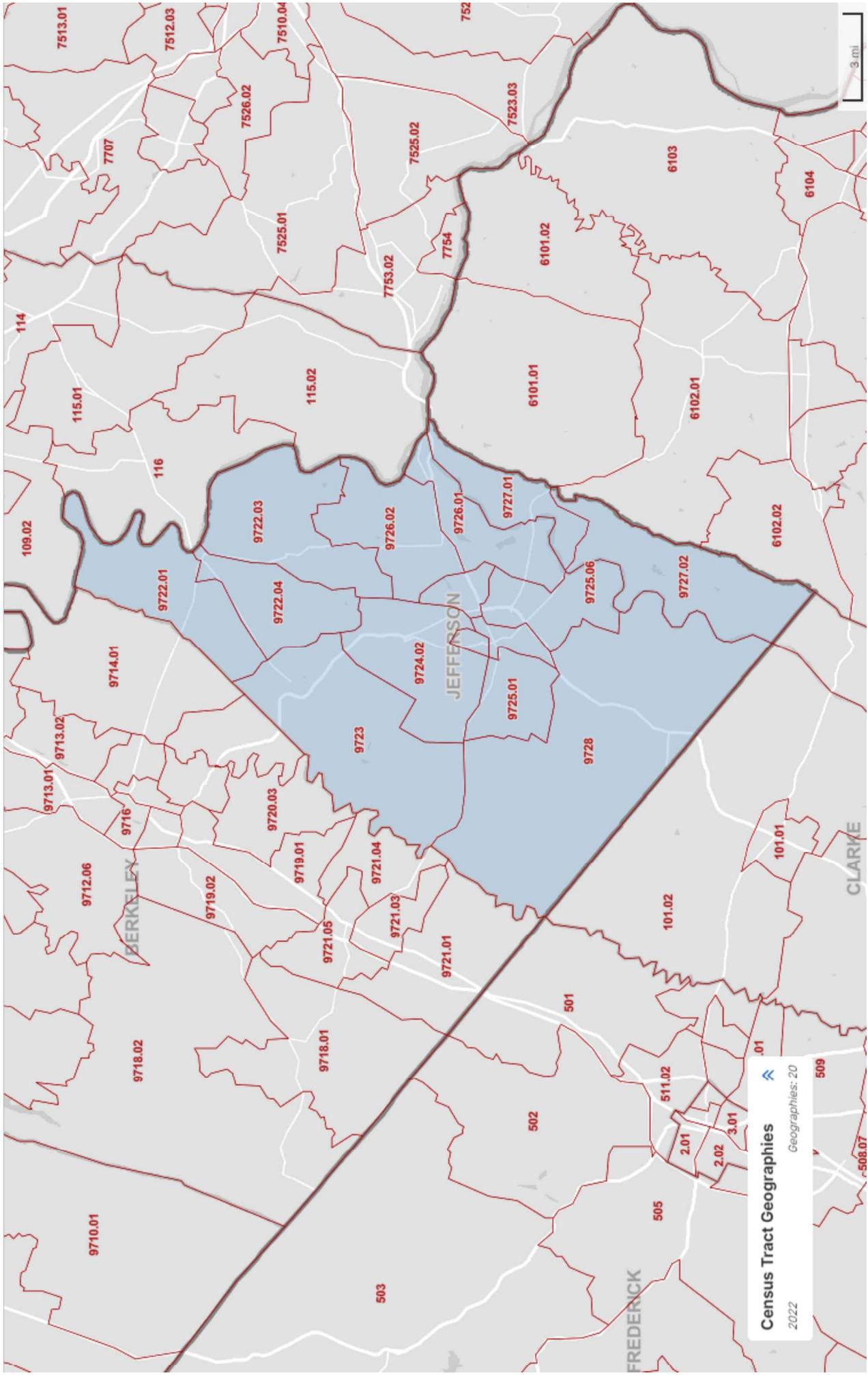


2024 FFIEC Census Report - Summary Census Income Information
State: 54 - WEST VIRGINIA (WV)
County: 003 - BERKELEY COUNTY
Tract: All Tracts



State Code	County Code	Tract Code	Tract Income Level	2020 MSA/MD Statewide non-MSA/MD Median Family Income	2024 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	% Below Poverty Line	Tract Median Family Income %	2020 Tract Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Household Income
54	003	9711.01	Moderate	\$77,963	\$84,200	2.82	72.69	\$56,676	\$61,205	\$63,509
54	003	9711.03	Middle	\$77,963	\$84,200	11.73	81.49	\$63,533	\$68,615	\$60,530
54	003	9711.04	Middle	\$77,963	\$84,200	3.53	107.95	\$84,167	\$90,894	\$80,483
54	003	9711.05	Middle	\$77,963	\$84,200	1.63	85.08	\$66,333	\$71,637	\$63,138
54	003	9712.03	Middle	\$77,963	\$84,200	9.56	101.76	\$79,336	\$85,682	\$54,833
54	003	9712.04	Upper	\$77,963	\$84,200	2.39	133.23	\$103,876	\$112,180	\$86,979
54	003	9712.05	Middle	\$77,963	\$84,200	9.87	92.09	\$71,797	\$77,540	\$62,417
54	003	9712.06	Upper	\$77,963	\$84,200	7.12	122.49	\$95,500	\$103,137	\$79,967
54	003	9713.01	Moderate	\$77,963	\$84,200	25.85	70.39	\$54,885	\$59,268	\$43,761
54	003	9713.02	Middle	\$77,963	\$84,200	7.67	118.50	\$92,388	\$99,777	\$90,875
54	003	9714.01	Upper	\$77,963	\$84,200	2.76	132.12	\$103,011	\$111,245	\$82,366
54	003	9714.02	Moderate	\$77,963	\$84,200	25.04	67.44	\$52,582	\$56,784	\$47,813
54	003	9715.00	Low	\$77,963	\$84,200	21.51	49.60	\$38,675	\$41,763	\$41,875
54	003	9716.00	Middle	\$77,963	\$84,200	29.61	83.14	\$64,821	\$70,004	\$45,810
54	003	9717.00	Moderate	\$77,963	\$84,200	22.62	57.40	\$44,754	\$48,331	\$36,055
54	003	9718.01	Middle	\$77,963	\$84,200	5.35	105.73	\$82,431	\$89,025	\$80,847
54	003	9718.02	Middle	\$77,963	\$84,200	8.08	98.57	\$76,853	\$82,996	\$62,046
54	003	9719.01	Middle	\$77,963	\$84,200	6.48	98.27	\$76,619	\$82,743	\$67,981
54	003	9719.02	Upper	\$77,963	\$84,200	10.01	137.58	\$107,269	\$115,842	\$84,680
54	003	9720.01	Middle	\$77,963	\$84,200	12.04	104.77	\$81,688	\$88,216	\$80,471
54	003	9720.02	Middle	\$77,963	\$84,200	4.95	113.45	\$88,456	\$95,525	\$88,109
54	003	9720.03	Upper	\$77,963	\$84,200	2.43	121.66	\$94,850	\$102,438	\$82,301
54	003	9721.01	Middle	\$77,963	\$84,200	12.25	101.11	\$78,829	\$85,135	\$71,354
54	003	9721.03	Middle	\$77,963	\$84,200	12.71	102.81	\$80,154	\$86,566	\$65,603
54	003	9721.04	Middle	\$77,963	\$84,200	8.52	103.08	\$80,365	\$86,793	\$66,435
54	003	9721.05	Middle	\$77,963	\$84,200	7.72	93.30	\$72,746	\$78,559	\$67,607

All Census Tracts within Jefferson County, West Virginia

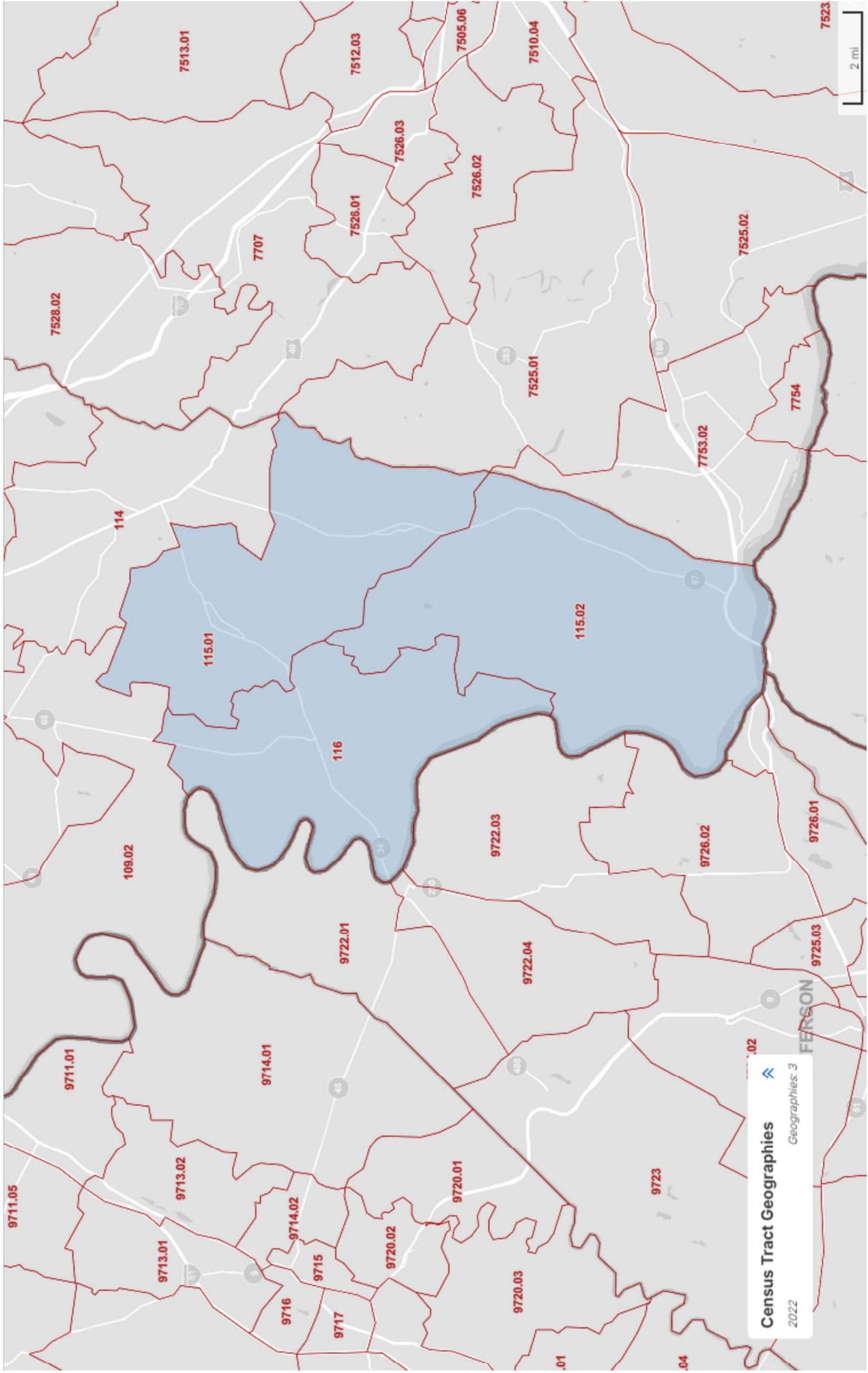


2024 FFIEC Census Report - Summary Census Income Information
 State: 54 - WEST VIRGINIA (WV)
 County: 037 - JEFFERSON COUNTY
 Tract: All Tracts



State Code	County Code	Tract Code	Tract Income Level	2020 MSA/MD Statewide non-MSA/MD Median Family Income	2024 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	% Below Poverty Line	Tract Median Family Income %	2020 Tract Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Household Income
54	037	9722.01	Middle	\$135,790	\$164,200	6.82	92.34	\$125,395	\$151,622	\$91,641
54	037	9722.03	Moderate	\$135,790	\$164,200	14.39	71.27	\$96,786	\$117,025	\$79,441
54	037	9722.04	Moderate	\$135,790	\$164,200	9.56	72.77	\$98,824	\$119,488	\$82,442
54	037	9723.00	Moderate	\$135,790	\$164,200	9.93	64.05	\$86,974	\$105,170	\$64,985
54	037	9724.01	Moderate	\$135,790	\$164,200	17.78	51.13	\$69,435	\$83,955	\$55,476
54	037	9724.02	Moderate	\$135,790	\$164,200	9.72	68.62	\$93,182	\$112,674	\$86,071
54	037	9725.01	Middle	\$135,790	\$164,200	2.90	91.01	\$123,594	\$149,438	\$109,141
54	037	9725.03	Moderate	\$135,790	\$164,200	9.52	67.42	\$91,563	\$110,704	\$72,287
54	037	9725.05	Moderate	\$135,790	\$164,200	21.89	60.59	\$82,276	\$99,489	\$58,393
54	037	9725.06	Moderate	\$135,790	\$164,200	11.01	67.59	\$91,793	\$110,983	\$65,303
54	037	9726.01	Moderate	\$135,790	\$164,200	7.74	69.06	\$93,789	\$113,397	\$77,750
54	037	9726.02	Middle	\$135,790	\$164,200	1.00	90.07	\$122,314	\$147,895	\$116,538
54	037	9727.01	Moderate	\$135,790	\$164,200	16.68	57.56	\$78,173	\$94,514	\$63,092
54	037	9727.02	Moderate	\$135,790	\$164,200	15.63	56.15	\$76,250	\$92,198	\$64,141
54	037	9728.00	Middle	\$135,790	\$164,200	3.31	87.32	\$118,585	\$143,379	\$99,527

Washington County, MD (Census Tracts 0115.01, 0115.02, 0116.00)



Washington County, MD – Tracts: 0115.01, 0115.02, 0116.00

2024 FFIEC Census Report - Summary Census Income Information

State: 24 - MARYLAND (MD)

County: 043 - WASHINGTON COUNTY

Tract: All Tracts



State Code	County Code	Tract Code	Tract Income Level	2020 MSA/MD Statewide non-MSA/MD Median Family Income	2024 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	% Below Poverty Line	Tract Median Family Income %	2020 Tract Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Household Income
24	043	0115.01	Upper	\$77,963	\$84,200	4.29	151.78	\$118,333	\$127,799	\$107,000
24	043	0115.02	Upper	\$77,963	\$84,200	6.77	141.79	\$110,550	\$119,387	\$53,529
24	043	0116.00	Middle	\$77,963	\$84,200	2.77	101.84	\$79,402	\$85,749	\$78,850