

## Poca Valley Bank – Written Comments

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Poca Valley Bank has not received any written comments from the public this year or in either of the prior two calendar years that specifically relate to the Bank's performance in helping meet community credit needs. In this year and the prior two calendar years, the Bank has not made any comments in response to written comments from the public that specifically relate to the Bank's performance in helping meet community credit needs.

April 1, 2024

# **PUBLIC DISCLOSURE**

March 1, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Poca Valley Bank, Inc.  
Certificate Number: 11952

7033 Charleston Road  
Walton, West Virginia 25286

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

10 10th Street NE, Suite 800  
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 areas, 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 assessment areas' credit needs.
- The bank made a majority of small business and home mortgage loans inside the assessment areas.
- The Geographic Distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of loans reflects reasonable penetration among businesses of different sizes and to individuals of different income levels.
- The institution 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 institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

## DESCRIPTION OF INSTITUTION

The Poca Valley Bank, Inc., which began business operations on September 24, 1908, operates as a wholly-owned subsidiary of Poca Valley Bankshares, Inc. in Walton, West Virginia. Additionally, the bank is an affiliate with Hays and Company that provides tax preparation and filing, general bookkeeping, and payroll processing. The institution received a satisfactory CRA rating at the June 18, 2018, FDIC examination, based on Intermediate Small Institution Examination Procedures.

The Poca Valley Bank, Inc. operates seven full-service branches within West Virginia in three assessment areas. The bank continues to operate its main office at 7033 Charleston Road in Walton, West Virginia, which is in southern Roane County. The remaining six full-service branches are located throughout Roane, Kanawha, and Putnam Counties. The bank has not closed or opened any

branches since the previous examination. The bank was also not involved in any mergers or acquisitions during the review period.

At each office location, the bank offers traditional loan programs, which include residential mortgage (fixed and adjustable rate), consumer installment, business purpose, and revolving lines of credit. The bank focuses primarily on home mortgage and commercial lending. The bank participates in a secondary market loan program with various secondary market investors and the West Virginia Housing Development Fund to offer long-term, fixed rate mortgage programs. These secondary market arrangements provide customers access to residential mortgage loans with longer terms, lower rates, and lower down-payment requirements. The bank is also an approved Small Business Administration (SBA) lender and participated in the SBA's Paycheck Protection Program (PPP) in response to the Covid-19 global pandemic.

Additionally, in response to COVID-19, the bank developed a COVID-19 loan program offering a consumer loan product and a commercial loan product. The unsecured commercial loan program was for existing customers who had been impacted by the pandemic. The terms included a one percent interest rate, waived origination and documentation fees, 90-day first payment deferral, maximum of \$25,000, and 36 to 60 repayment term. The unsecured loan program provided up to \$3,000 for a 24-month repayment term, an interest rate of 1 percent, documentation fees waived, and delayed first payment. The bank developed this program in mid-March of 2020 at the beginning of the global pandemic. The bank has originated 10 commercial loans and 19 consumer loans under this program.

The bank offers a variety of deposit products, which include checking accounts, savings accounts, certificates of deposit, and individual retirement accounts. Alternative banking services include internet and mobile banking, electronic bill pay, person-to-person payment service, mobile deposits, and automatic teller machines.

As of December 31, 2020, the Consolidated Report of Condition and Income reflects total assets of \$448.4 million, total deposits of \$397.7 million, and total loans of \$319.9 million. As shown in the following table, significant loan types are residential real-estate and commercial loans. The Call Report data shows that residential real-estate loans comprise 44.9 percent of the portfolio as of December 31, 2020. Commercial loans, including those secured by nonfarm, nonresidential real estate and commercial and industrial loans, comprise 37.0 percent of the portfolio.

<b>Loan Portfolio Distribution as of 12/31/2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	15,126	4.7
Secured by Farmland	521	0.2
Secured by 1-4 Family Residential Properties	143,604	44.9
Secured by Multifamily (5 or more) Residential Properties	16,402	5.1
Secured by Nonfarm Nonresidential Properties	50,601	15.8
<b>Total Real Estate Loans</b>	<b>226,254</b>	<b>70.7</b>
Commercial and Industrial Loans	67,701	21.2
Agricultural Loans	279	0.1
Consumer Loans	24,560	7.7
Obligations of States and Political Subdivisions in the U.S.	1,177	0.4
Other Loans	34	0.0
Less: Unearned Income	108	0.0
<b>Total Loans</b>	<b>319,897</b>	<b>100.0</b>
<i>Source: Report of Condition and Income (Call Report)</i>		
<i>Due to rounding, totals may not equal 100.0 percent.</i>		

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

## **DESCRIPTION OF ASSESSMENT AREAS**

The Poca Valley Bank, Inc. operates in three assessment areas located in West Virginia. The following table provides descriptions of the assessment areas. Refer to the individual assessment areas for additional information.

<b>Description of Assessment Areas</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
Non-MSA	Roane and Calhoun #	5	2
Charleston MSA	Kanawha, Clay, Jackson # ** and Lincoln***	58	3
Huntington MSA	Putnam	10	2
<i>Source: Bank Records.</i>			
<i>** Jackson County moved from the Non-MSA to the Charleston, WV MSA in 2019.</i>			
<i>***Lincoln County was moved from the Huntington-Ashland, WV-KY-OH MSA to the Charleston, WV MSA in 2019</i>			
<i># Only a portion of Jackson and Calhoun Counties are included in the assessment area.</i>			

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated June 18, 2018, to the current evaluation dated March 1, 2021. Examiners used the Interagency Intermediate Institution Examination Procedures to evaluate The Poca Valley Bank, Inc.’s CRA performance. These procedures include two tests: Lending and Community Development. An institution may not receive an overall “Satisfactory” rating unless both tests receive at least a Satisfactory rating. All

three assessment areas will be reviewed using full-scope examination procedures given the level of operations in each assessment area. The Charleston MSA assessment area received most weight in the overall ratings and conclusions, considering 55.5 percent of loans by dollar amount, 50.9 percent of deposits, and 42.8 percent of branch offices are located within the Charleston MSA assessment area. The remaining two assessment areas received equal weight.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Non-MSA	30,456	22.1	130,895	35.0	2	28.6
Charleston MSA	70,670	55.5	190,580	50.9	3	42.8
Huntington MSA	30,996	22.4	52,822	14.1	2	28.6
<b>Total</b>	<b>138,122</b>	<b>100.0</b>	<b>374,297</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>

*Source: HMDA Data for 2018, 2019, and 2020; Bank Records; and, June 30, 2020, FDIC Summary of Deposits*

The composition of the assessment areas changed from 2018 to 2019 due to changes to the MSA designations by the Office of Management and Budget (OMB). The changes are further discussed under the assessment areas. The lending analysis for 2018 used the assessment areas and corresponding demographic data based on the composition of the assessment areas prior to the OMB revisions. The 2019 and 2020 analyses are based on the revised assessment areas and demographics.

For the Geographic Distribution analysis, examiners focused on the percentage by number of loans in low- and moderate-income census tracts and comparison to aggregate and demographic data for home mortgage lending and D&B data for small business lending. For the Borrower Profile evaluation, examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and percentage of small business loans made to businesses with gross annual revenues of \$1 million or less. Aggregate and demographic data for home mortgage loans and D&B data for small business loans were used as comparisons.

### **Activities Reviewed**

The CRA regulation requires examiners to review lending performance with respect to home mortgage, small business, and small farm loans, if significant. Using bank data, examiners determined the major product lines are home mortgage and small business loans. This conclusion considered the bank’s business strategy and the number and dollar volume of loans originated during the evaluation period. The bank’s record of originating home mortgage and small business loans assigned equal weight in the overall conclusions and ratings given the similar volume originated. In addition, no other loan types, such as small farm loans represent a major product line and are not included in the review. The following table shows the originations made from June 18, 2018, through December 31, 2020.

<b>Loans Originated or Purchased (2018-2020)</b>				
<b>Loan Category</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
Construction & Land Development	110	2.1	1,273	0.6
Secured by Farmland	11	0.2	410	0.2
Secured by 1-4 Family Residential Properties	726	13.9	75,607	33.3
Multi-Family (5 or more) Residential Properties	15	0.3	17,575	7.7
Commercial Real Estate Loans	69	1.3	19,603	8.6
Commercial and Industrial Loans	483	9.3	78,846	34.7
Agriculture Loans	0	0.0	0	0.0
Consumer Loans	3,793	72.7	33,758	14.9
Other Loans	10	0.2	35	0.0
<b>Total Loans</b>	<b>5,217</b>	<b>100.0</b>	<b>227,107</b>	<b>100.0</b>
<i>Source: Bank Records.</i>				

This evaluation considered all home mortgage loans reported for 2018, 2019, and 2020 under the Home Mortgage Disclosure Act (HMDA). For 2018, the bank reported 302 loans totaling \$39.5 million. For 2019, the bank reported 336 loans totaling \$46.6 million. In 2020, the bank reported 398 loans totaling \$67.4 million. Only home mortgage lending for 2019 is presented in the analysis as this is the most recent year for which aggregate data is available and is used for comparative analysis for 2019. Lending performance for 2018 and 2020 was also analyzed and is only discussed if anomalies are noted. Aggregate lending data for 2018 is used as a comparison for the 2018 analysis. Additionally, demographic data from the 2015 American Community Survey (ACS) is used as a comparison for all years.

In addition, examiners reviewed the universe of small business loans originated in 2020 for Assessment Area Concentration and Geographic Distribution. The bank originated 128 small business loans totaling \$22.6 million. Due to a lack of available revenue information, a sample of 47 loans totaling \$8.8 million originated within the assessment areas was used to review Borrower Profile. D&B data for 2020 provided a standard of comparison for the Geographic Distribution and Borrower Profile.

This evaluation includes community development loans and services originated or conducted from June 18, 2018, through March 1, 2021. Also included are qualified investments that were either purchased prior to but still outstanding as of this evaluation date or purchased during the evaluation period.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The Poca Valley Bank, Inc. demonstrated reasonable performance under the Lending Test. The reasonable Geographic Distribution and Borrower Profile along with reasonable Loan-to-Deposit Ratio and Assessment Area Concentration support this conclusion. Only loans within the assessment areas are included in the Geographic Distribution and Borrower Profile analyses.



## Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size and financial condition and assessment areas' credit needs. The loan-to-deposit ratio, calculated from Call Report data, averaged 84.5 percent over the last 11 calendar quarters from June 30, 2018, to December 31, 2020. The ratio ranged from a low of 79.7 percent as of December 31, 2020, to a high of 93.6 percent on June 30, 2018.

The configuration of the combined assessment areas and the bank's asset size makes it difficult to identify any similarly-situated financial institutions. Therefore, when assessing performance under the loan-to-deposit ratio criteria, the bank's ratio was compared with peer institutions (Peer Group #5- insured commercial banks having assets between \$300 million and \$1 billion). The peer group's average net loan-to-deposit ratio was calculated at 75.8 percent, which is comparable to the bank's average loan-to-deposit ratio.

## Assessment Area Concentration

The Poca Valley Bank, Inc. originated a majority of home mortgage loans and small business loans by number and dollar volume within the assessment areas. The following table shows the distribution of loans originated inside and outside the assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	265	87.7	37	12.3	302	33,158	84.0	6,335	16.0	39,493
2019	279	83.0	57	17.0	336	38,155	81.9	8,410	18.1	46,565
2020	325	81.7	73	18.3	398	48,342	71.7	19,069	28.3	67,411
<b>Subtotal</b>	<b>869</b>	<b>83.9</b>	<b>167</b>	<b>16.1</b>	<b>1,036</b>	<b>119,655</b>	<b>78.0</b>	<b>33,814</b>	<b>22.0</b>	<b>153,469</b>
Small Business	111	86.7	17	13.3	128	18,467	81.8	4,121	18.2	22,588
<b>Total</b>	<b>980</b>	<b>84.2</b>	<b>184</b>	<b>15.8</b>	<b>1,164</b>	<b>138,122</b>	<b>78.5</b>	<b>37,935</b>	<b>21.5</b>	<b>176,057</b>

*Source: 2018, 2019, and 2020 HMDA Data and Bank Records.*

## Geographic Distribution

The geographic distribution of loans reflects reasonable distribution throughout the assessment areas. The overall reasonable geographic distribution of home mortgage and small business loans supports this conclusion. The geographic distribution of lending was consistent throughout the assessment areas.

## **Borrower Profile**

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment areas. The overall reasonable distribution of loans to low- and moderate- income borrowers supports this conclusion. The borrower profile distribution of lending was consistent throughout the assessment areas.

## **Response to Complaints**

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

## **COMMUNITY DEVELOPMENT TEST**

The Poca Valley Bank, Inc. demonstrates adequate responsiveness to the community development needs of the 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. Refer to the individual assessment area analysis for additional information on the community development activities.

## **Community Development Loans**

The Poca Valley Bank, Inc. originated 124 community development loans totaling approximately \$18.2 million during the evaluation period. The community development loans include 119 loans made under the SBA PPP totaling \$16.7 million. This level of activity is significantly above the community development lending at the prior evaluation and represents 4.7 percent of average total assets and 6.3 percent of average total loans since the prior CRA evaluation. Considering the bank's core lending program, excluding the special SBA PPP loans, the community development lending accounts for 0.4 percent of average assets and 0.5 percent of average total loans which is consistent with the core lending at the last performance evaluation.

In response to small businesses adversely affected by the COVID-19 pandemic, the bank participated in the Paycheck Protection Program created under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This program is designed to provide a direct incentive for small businesses to maintain employees on the payroll. The program design helps to retain and improve jobs providing economic development. As mentioned, the bank originated 119 loans totaling \$16.7 million to small businesses located within the assessment areas.

The bank also originated four community service loans totaling \$1.2 million and one revitalization and stabilization loan for \$300,000 in the assessment areas. Refer to each assessment area analysis for examples of community development loans. The following tables reflect the community development lending by activity year, purpose, and assessment area.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
06/18/2018-3/1/2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	1	745	0	0	1	300	2	1,045
2020	0	0	2	383	55	5,411	31	5,773	88	11,567
2021	0	0	1	44	18	1,611	15	3,904	34	5,559
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1,172</b>	<b>73</b>	<b>7,022</b>	<b>47</b>	<b>9,977</b>	<b>124</b>	<b>18,171</b>
<i>Source: Bank Records</i>										

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA	0	0	3	427	0	0	29	8,184	32	8,611
Charleston MSA	0	0	1	745	45	2,924	18	1,793	64	5,462
Huntington MSA	0	0	0	0	28	4,098	0	0	28	4,098
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1,172</b>	<b>73</b>	<b>7,022</b>	<b>47</b>	<b>9,977</b>	<b>124</b>	<b>18,171</b>
<i>Source: Bank Records</i>										

### **Qualified Investments**

The Poca Valley Bank, Inc. made 16 qualified investments and donations totaling \$3.5 million. The dollar level of qualified investments equates to 0.9 percent of average assets and 10.3 percent of average total securities since the previous evaluation. This level of activity is significantly above the qualified investments and donations at the prior evaluation. Qualified investments during the period consist of municipal bonds for the funding of various capital projects throughout school districts in the Non-MSA assessment area, which consists entirely of moderate-income and underserved- and distressed middle-income census tracts with schools having 50 percent or more of the students receiving free and/or reduced lunches. The bank also invested in a bond for a building commission for a local hospital that is located in a distressed and underserved area. Additionally, the bank made qualified donations.

The following tables illustrate the qualified investments by year, purpose, and assessment area.

Qualified Investments By Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
06/18/2018-12/31/2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	3	2,466	3	2,466
2020	0	0		0	0	0	0	0	0	0
2021(YTD)	0	0	0	0	0	0	1	1,000	1	1,000
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>3,466</b>	<b>4</b>	<b>3,466</b>
Qualified Grants & Donations	0	0	12	27	0	0	0	0	12	27
<b>Total</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>3,466</b>	<b>16</b>	<b>3,493</b>

Source: Bank Records

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA	0	0	5	9	0	0	4	3,466	9	3,475
Charleston MSA	0	0	3	8	0	0	0	0	3	8
Huntington MSA	0	0	4	10	0	0	0	0	4	10
<b>Total</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>3,466</b>	<b>16</b>	<b>3,493</b>

Source: Bank Records

### Community Development Services

The bank provided 16 community development services during the evaluation period. Community development services include employees serving on the Board and/or committee of organizations and teaching financial literacy classes to schools throughout the assessment areas where more than 50 percent of the students receive free or reduced lunches. The bank has historically provided financial literacy, interview skills training, and career development discussions with schools where most of the students receive free and/or reduced lunches. However, the schools throughout the assessment areas were closed starting in March 2020 due to the COVID-19 pandemic, and many remain with limited in-person attendance, which has impacted the bank's opportunity to provide the on-going financial literacy programs in 2020 and 2021.

<b>Community Development Services By Year</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
06/18/2018-12/31/2018	0	0	2	0	2
2019	0	8	2	0	10
2020	0	0	2	0	2
2021 (YTD)	0	0	2	0	2
<b>Total</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>16</b>
<i>Source: Bank Records</i>					

<b>Community Development Services By Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Non-MSA	0	1	0	0	1
Charleston MSA	0	7	0	0	7
Huntington MSA	0	0	8	0	8
<b>Total</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>16</b>
<i>Source: Bank Records</i>					

## **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.

## **CHARLESTON MSA ASSESSMENT AREA – Full Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CHARLESTON MSA ASSESSMENT AREA**

The Poca Valley Bank, Inc. elected to delineate all of Kanawha and Clay Counties and part of Jackson and Lincoln Counties in the Charleston, WV MSA as the Charleston MSA assessment area. The Charleston, WV MSA also includes Boone County; however, the bank did not include the county as part of the assessment area. OMB updated the MSA delineations for 2019 which affected the Charleston MSA assessment area. In 2019, Jackson County was moved from the Non-MSA to the Charleston, WV MSA, and Lincoln County was moved from the Huntington-Ashland, WV-KY-OH MSA to the Charleston, WV MSA. The analysis for 2019 and 2020 use the performance and demographics based on the revised assessment area with the 2018 analysis based on the prior assessment area delineation. The bank operates three branches within this assessment area, which accounts for 42.8 percent of banking locations. Overall, the assessment area accounts for 55.5 percent of loans by dollar volume and 50.9 percent of bank-wide deposits.

#### **Economic and Demographic Data**

The assessment area contains 58 census tracts with the following 2015 ACS designations:

- 2 low-income;
- 13 moderate-income;
- 28 middle-income; and,
- 15 upper-income;

The following table presents select demographic characteristics of the assessment area.

<b>Demographic Information of the Charleston MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	58	3.4	22.4	48.3	25.9	0.0
Population by Geography	214,317	1.7	15.9	53.1	29.3	0.0
Housing Units by Geography	103,442	2.2	16.6	52.8	28.4	0.0
Owner-Occupied Units by Geography	64,446	1.1	14.4	53.8	30.7	0.0
Occupied Rental Units by Geography	26,563	4.0	19.1	50.0	26.9	0.0
Vacant Units by Geography	12,433	4.3	22.4	53.7	19.6	0.0
Businesses by Geography	14,141	3.9	11.7	55.9	28.5	0.0
Farms by Geography	258	1.6	14.3	60.5	23.6	0.0
Family Distribution by Income Level	57,278	21.3	17.7	19.1	41.9	0.0
Household Distribution by Income Level	91,009	23.7	16.2	17.8	42.2	0.0
Median Family Income MSA Charleston, WV MSA	\$54,658	Median Housing Value				\$110,868
		Median Gross Rent				\$679
		Families Below Poverty Level				12.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0 percent.</i>						
<i>(*) 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 compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. Owner-occupied housing units are disbursed primarily in middle- and upper-income tracts. Businesses are also primarily in the middle- and upper-income tracts. Moderate-income tracts contain fair levels of owner-occupied housing and businesses with limited levels in the two low-income census tracts.

The 2018-2020 FFIEC median family incomes (MFI) for the Charleston, WV MSA are used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category using a 2018 MFI of \$56,500, a 2019 MFI of \$ 59,300, and a 2020 MFI of \$59,200.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2018 (\$56,500)	<\$28,250	\$28,250 to <\$45,200	\$45,200 to <\$67,800	≥\$67,800
2019 (\$59,300)	<\$29,650	\$29,650 to <\$47,440	\$47,440 to <\$71,160	≥\$71,160
2020 (\$59,200)	<\$29,600	\$29,600 to <\$47,360	\$47,360 to <\$71,040	≥\$71,040
<i>Source: FFIEC</i>				

The demographic table above provides the distribution of families by income level which is used to analyze the Borrower Profile for home mortgage lending. With a median housing value of

\$110,868, a low-income individual, which earned less \$29,600 in 2020, may have difficulty qualifying for a conventional mortgage.

According to D&B data, 14,141 businesses operate within the assessment area. The analysis of small business lending compares the percentage of businesses located within low-, moderate-, middle-, and upper-income census tracts for the Geographic Distribution. The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual business revenues. Per D&B data for 2020, gross revenues for these businesses are:

- 77.5 percent reported \$1.0 million or less;
- 6.1 percent reported more than \$1.0 million; and
- 16.5 percent did not report

The Service sector represents the largest portion of businesses at 43.5 percent. In addition, 58.8 percent of the area businesses have four or fewer employees, and 81.6 percent operate from a single location. The largest employers are Charleston Area Medical Center, Herbert J. Thomas Memorial Hospital Association, Frontier Communications, and Wal-Mart Stores, Inc.

Unemployment data obtained from the Bureau of Labor Statistics indicates that the unemployment rates have increased substantially since the previous evaluation due to the national pandemic. Clay and Lincoln Counties have seen unemployment rates well above the state and national levels. Kanawha and Jackson Counties have generally been comparable to the state levels but higher than the national levels. The table below reflects unemployment rates and trends for counties within the assessment area, state, and the nation.

<b>Unemployment Rates</b>			
<b>Geographic Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Clay County	8.3	8.5	12.5
Jackson	4.1	4.9	8.7
Kanawha County	5.1	4.6	9.1
Lincoln	6.9	6.3	10.0
West Virginia	5.2	4.9	8.4
National Average	3.9	3.7	8.1
<i>Source: Bureau of Labor Statistics</i>			

### **Competition**

The counties within the assessment area are highly competitive for financial services. According to the FDIC Deposit Market Share data as of June 30, 2020, there are 16 FDIC-insured financial institutions operating 69 offices within the counties. Of these institutions, The Poca Valley Bank, Inc. ranked 7<sup>th</sup> with 2.9 percent of the market share. The primary competitors for deposits include Truist Bank (29.9 percent); United Bank (18.2 percent); and City National Bank of West Virginia (13.3 percent).

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders in this assessment area. In 2019, 158 lenders reported 3,945 residential mortgage loans originated or purchased in the assessment area. Of these lenders, The



Poca Valley Bank, Inc. ranked 7<sup>th</sup> with a 4.0 percent market share. The three most prominent home mortgage lenders include City National Bank of West Virginia (11.0 percent); Truist Bank (7.02 percent); and Quicken Loans (5.9 percent). These top three lenders account for 23.9 percent of total market share by number of home mortgage loans originated or purchased.

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects a high level of demand for small business loans. Aggregate data for 2019 shows 72 institutions reported 3,472 small business loans in the assessment area. The top three lenders by number include American Express National Bank (15.1 percent); JP Morgan Chase Bank, NA (13.8 percent); and Truist (13.4 percent). Together, the three top lenders account for 42.3 percent by number. The top three lenders by dollar amount were Truist (22.7 percent); United Bank (13.2 percent); and Summit Community Bank, Inc. (11.5 percent). These three institutions account for and 47.4 percent of the dollar volume.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment areas to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also demonstrates what credit and community development opportunities are available.

Examiners referenced a recent community contact with an organization that operates within the bank's assessment area. The community contact noted the greatest need in the assessment area is working capital loans for small businesses. The community contact indicated there is ample opportunity for these loans due to the adverse impact of COVID-19 to small businesses. The contact also noted that affordable low- and moderate-income housing is needed in the downtown Charleston. In addition, multifamily housing is needed in the higher poverty areas of Charleston.

### **Credit and Community Development Needs and Opportunities**

Considering the community contact and demographic and economic data, examiners determined that home mortgage and small business loans represent significant credit needs for the assessment area. Examiners determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less. Additionally, affordable housing represents a need as 39.0 percent of the families are low- or moderate-income.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHARLESTON MSA ASSESSMENT AREA

### LENDING TEST

The Poca Valley Bank, Inc. demonstrated reasonable performance under the Lending Test. The Geographic Distribution and Borrower Profile distribution reflects reasonable dispersion throughout the Charleston MSA assessment area.

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable geographic distribution for home mortgage loans and excellent distribution for small business loans supports this conclusion.

### Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable distribution throughout the assessment area. Lending in low-income census tracts was comparable to aggregate data and was below demographics. Lending in moderate-income census tracts exceeded aggregate and demographic data in 2019.

<b>Geographic Distribution of Home Mortgage Loans Charleston MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	1.1	0.8	1	0.7	55	0.3
Moderate	14.4	12.7	27	17.2	1,970	9.0
Middle	53.8	47.4	85	54.1	8,462	38.7
Upper	30.7	39.1	44	28.0	11,363	52.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>157</b>	<b>100.0</b>	<b>21,849</b>	<b>100.0</b>

*Source: 2015 ACS; 2019 HMDA Data; and, 2019 HMDA Aggregate Data.*

### Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. Lending in low-income tracts was more than double the demographics with lending in moderate-income tracts exceeding demographics.

Geographic Distribution of Small Business Loans Charleston MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.9	6	9.1	1,158	11.2
Moderate	11.7	9	13.6	659	6.4
Middle	55.9	33	50.0	4,820	46.8
Upper	28.5	18	27.3	3,661	35.6
<b>Totals</b>	<b>100.0</b>	<b>66</b>	<b>100.0</b>	<b>10,298</b>	<b>100.0</b>

*Source: 2020 D&B Data and Bank Records.*

### **Borrower Profile**

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. This conclusion is supported by the reasonable performance regarding home mortgage loans and small business loans.

### **Home Mortgage Loans**

The distribution of home mortgage loans to borrowers of different income levels is reasonable. Lending to low-income borrowers, while below demographics, exceeds aggregate in 2019. Lending to moderate-income borrowers exceeded demographics and aggregate data in 2019.

Distribution of Home Mortgage Loans by Borrower Income Level Charleston MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.3	8.1	20	12.7	1,294	5.9
Moderate	17.7	18.2	34	21.7	2,582	11.8
Middle	19.1	23.2	33	21.0	2,872	13.2
Upper	41.9	38.7	59	37.6	7,258	33.2
Not Available	0.0	11.9	11	7.0	7,844	35.9
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>157</b>	<b>100.0</b>	<b>21,849</b>	<b>100.0</b>

*Source: 2015 ACS; 2019 HMDA Data; and, 2019 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0 percent.*

### **Small Business Loans**

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. The percentage by number of small business loans to businesses with gross annual revenues of \$1 million or less is higher than demographics.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Charleston MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	77.5	20	80.0	3,373	76.8
>1,000,000	6.1	5	20.0	1,018	23.2
Revenue Not Available	16.5	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>4,391</b>	<b>100.0</b>

*Source: 2020 D&B Data and Bank Records.  
Due to rounding, totals may not equal 100.0 percent.*

## **COMMUNITY DEVELOPMENT TEST**

The Poca Valley Bank, Inc. demonstrated adequate responsiveness to the community development needs of the Charleston MSA assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities in the assessment area.

### **Community Development Loans**

The bank originated 64 community development loans totaling \$5.5 million in the Charleston MSA assessment area. This level of activity represents 51.6 percent by number and 30.1 percent by dollar of bank-wide community development loans. The majority of the loans, 45 loans for \$2.9 million, were originated under the SBA PPP to help retain and/or improve jobs. Of these loans, 17 loans totaling \$1.5 million helped revitalize and/or stabilize low- and moderate-income tracts. Examples of the community development loans include.

- In 2019, the bank originated a \$750,000 loan for the renovation of a 50 bed men’s recovery center to benefit low and moderate-income individuals.
- In 2019, the bank originated a \$300,000 loan to a hospital that serves individuals located in the surrounding moderate-income tract and underserved and distressed middle-income tracts.

### **Qualified Investments**

The Poca Valley Bank Inc. qualified investments were limited to monetary donations for this assessment area. The Poca Valley Bank, Inc. made three qualified donations totaling approximately \$8,400. This level of activity represents 18.8 percent by number and 0.2 percent of dollar volume of qualified investments. Examples of donations include:

- In 2020, the bank donated \$5,900 to a school for equipment. A substantial majority of students receive free-or reduced lunch.
- In 2019, the bank donated \$1,500 to an organization to assist low- and moderate-income families with financial needs.
- In 2019, the bank donated \$1,000 to a local backpack program for low- and moderate-

income students.

### **Community Development Services**

The Poca Valley Bank, Inc. provided seven community development services in this assessment area. This level of activity represents 43.8 percent of total community development services. Examples of community development services include:

- Several employees participated in and promoted school savings programs. The schools have a majority of students who receive free or reduced lunch.
- Employees from Human Resources and management participated in multiple presentations to discuss banking and banking careers in schools where more than half the students receive free or reduced lunch.
- Employees from Human Resources and management participated in counseling high school students on how to prepare for job interviews. The schools have a majority of students who receive free or reduced lunch.

## **NON-MSA ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NON-MSA ASSESSMENT AREA**

The Non-MSA assessment area includes all of Roane County and one census tract in Calhoun County. The bank’s main office and one branch are located within this assessment area, which accounts for 28.6 percent of banking locations. Overall, the assessment area accounts for 22.1 percent of loans by dollar volume and 35.0 percent of deposits. Prior to 2019, Jackson County was also included in the assessment area; however, Jackson County became part of the Charleston, WV MSA as a result of the OMB MSA changes effective January 1, 2019. The performance for 2018 is based upon the prior designations with the 2019 and 2020 analyses compared to the demographics adjusted for the OMB changes.

#### **Economic and Demographic Data**

The assessment area contains five census tracts with the following 2015 ACS designations:

- 1 moderate-income; and,
- 4 middle-income;

The FFIEC designated the all middle-income tracts in distressed and underserved.

The following table presents select demographic characteristics of the assessment area.

<b>Demographic Information for the Non-MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	5	0.0	20.0	80.0	0.0	0.0
Population by Geography	18,563	0.0	19.3	80.7	0.0	0.0
Housing Units by Geography	9,453	0.0	20.6	79.4	0.0	0.0
Owner-Occupied Units by Geography	5,792	0.0	16.7	83.3	0.0	0.0
Occupied Rental Units by Geography	1,666	0.0	37.7	62.3	0.0	0.0
Vacant Units by Geography	1,995	0.0	17.4	82.6	0.0	0.0
Businesses by Geography	848	0.0	35.8	64.2	0.0	0.0
Farms by Geography	71	0.0	5.6	94.4	0.0	0.0
Family Distribution by Income Level	4,955	24.9	19.9	18.5	36.6	0.0
Household Distribution by Income Level	7,458	29.0	18.5	15.4	37.2	0.0
Median Family Income Non-MSA - WV		\$48,107	Median Housing Value			\$86,214
			Median Gross Rent			\$443
			Families Below Poverty Level			14.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0 percent.</i>						
<i>(*) 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 compares small business loans to the percentage of businesses located in the moderate- and middle-income census tracts. Owner-occupied housing units are disbursed primarily in the middle-income census tracts. Businesses are also primarily in the middle-income tracts a good level in the moderate-income area.

The 2018-2020 FFIEC MFIs for the West Virginia Non-MSA are used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category using a 2018 and 2019 MFI of \$52,200 and a 2020 MFI of \$54,000.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2018 (\$52,200)	<\$26,100	\$26,100 to <\$41,760	\$41,760 to <\$62,640	≥\$62,640
2019 (\$52,200)	<\$26,100	\$26,100 to <\$41,760	\$41,760 to <\$62,640	≥\$62,640
2020 (\$54,000)	<\$27,000	\$27,000 to <\$43,200	\$43,200 to <\$64,800	≥\$64,800
<i>Source: FFIEC</i>				

The demographic table above provides the distribution of families by income level which is used to analyze the Borrower Profile for home mortgage lending. With a median housing value of \$86,214,

a low-income individual, which earned less \$27,000 in 2020, may have difficulty qualifying for a conventional mortgage.

According to D&B data, 848 businesses operate within the assessment area. The analysis of small business lending compares the percentage of businesses located within low-, moderate-, middle-, and upper-income census tracts for the Geographic Distribution. The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual business revenues. Per D&B data for 2020, gross revenues for these businesses are:

- 81.1 percent reported \$1.0 million or less;
- 5.1 percent reported more than \$1.0 million; and,
- 13.8 percent did not report revenues

The Service sector represents the largest portion of businesses at 35.4 percent. In addition, 70.1 percent of the area businesses have four or fewer employees, and 86.1 percent operate from a single location. The largest employers in the assessment area are Roane County Board of Education, Roane General Hospital, Walmart, and Calhoun County Board of Education.

Unemployment data obtained from the Bureau of Labor Statistics indicates that the unemployment rates have increased dramatically since the previous evaluation due to the national pandemic. The assessment area unemployment rates have remained significantly higher than the state and national averages. According to data provided by Work Force West Virginia, the unemployment rates for Roane and Calhoun County rank as the two highest rates in the state with Calhoun County reaching over 20.0 percent in March 2020. The table below reflects unemployment rates and trends for counties within the assessment area, state, and the nation.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Roane County	7.8	9.5	12.9
Calhoun County	10.3	12.9	17.1
West Virginia	5.2	4.9	8.4
National Average	3.9	3.7	8.1
<i>Source: Bureau of Labor Statistics</i>			

The high unemployment rates are indicative of the weak and distressed economy in the two counties. Additionally, Roane County has seen a continuing decline in population dropping from 14,375 in 2015 to 13,228 in 2021 or 8.0 percent according to the US Census Data. Population levels in Calhoun County have seen similar declines. The 2019 median household income, which is the most recent available per the US Census Bureau, for Roane County was \$37,373 and for Calhoun County was \$38,382. Both levels are well below the state average of \$46,711.

Furthermore, Roane and Calhoun Counties continue to be designated as distressed by the Appalachian Regional Commission (ARC). The ARC defines distressed counties as the most economically depressed counties, ranking in the worst 10.0 percent of the Nation’s counties. The ARC uses a National index of county economic status through a comparison of each county’s



averages for three-year average unemployment rate, per capita market income, and poverty rates. Overall, the demographic data presents an area that is economically weak with little growth.

### **Competition**

Roane and Calhoun Counties are moderately competitive for financial services with three other financial institutions operating six offices in the counties. As of June 30, 2020, The Poca Valley Bank, Inc. ranked 1<sup>st</sup> with 34.4 percent of total deposits. Other financial institutions operating branches in the counties include First Neighborhood Bank (26.2 percent), Calhoun County Bank, Inc. (24.2 percent), and Premier Bank, Inc. (15.3 percent).

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2019, 50 lenders reported 240 residential loans. The Poca Valley Bank, Inc. ranks 1st out of this group of lenders, with a market share of 33.6 percent. The next most prominent home mortgage lenders are Quicken Loans and First Neighborhood Bank with each capturing 7.1 percent of the market. These top three lenders account for 47.9 percent of total market share by number of home mortgage loans originated or purchased.

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects the level of demand for small business loans and is therefore provided. Aggregate data for 2019 shows that 24 institutions reported 147 small business loans in the assessment area by number, indicating a moderate degree of competition for this product. The top three lenders include American Express National Bank; JP Morgan Chase Bank, NA., and Synchrony Bank. Together, the top lenders accounted for 42.9 percent by number. The top three lenders by dollar amount were Wells Fargo Bank, NA; Ally Bank; and American Express National Bank. These three institutions account for 49.0 percent of the dollar volume.

### **Credit and Community Development Needs and Opportunities**

Considering the demographic and economic data, examiners determined that home mortgage and small business loans represent significant credit needs for the assessment area. Examiners determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less. Additionally, affordable housing represents a need as 44.8 percent of the families are low- or moderate-income.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NON-MSA ASSESSMENT AREA**

### **LENDING TEST**

The Poca Valley Bank, Inc. demonstrated reasonable performance under the Lending Test. The Geographic Distribution reflect reasonable distribution throughout the assessment area, and the

Borrower Profile reflects overall reasonable dispersion to borrowers of different incomes and businesses of different sizes.

**Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable geographic distribution for home mortgage loans and small business loans supports this conclusion. Examiners focused on the percentage by number of loans in moderate-income census tracts and comparison to aggregate and demographic data for home mortgage lending and D&B data for small business lending.

**Home Mortgage Loans**

The geographic distribution of home mortgage loans reflects reasonable distribution throughout the assessment area. Lending in moderate-income census tracts exceeds aggregate and significantly exceeds demographic data in 2019.

<b>Geographic Distribution of Home Mortgage Loans Non-MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	16.7	27.9	24	29.6	2,572	28.6
Middle	83.3	72.1	57	70.4	6,409	71.4
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>81</b>	<b>100.0</b>	<b>8,981</b>	<b>100.0</b>
<i>Source: 2015 ACS; 2019 HMDA Data; and, 2019 HMDA Aggregate Data.</i>						

**Small Business Loans**

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Lending in the moderate-income census tract was below demographics.

<b>Geographic Distribution of Small Business Loans Non-MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	35.8	5	29.4	150	7.1
Middle	64.2	12	70.6	1,961	92.9
<b>Totals</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>2,111</b>	<b>100.0</b>
<i>Source: 2020 D&amp;B Data and Bank Records.</i>					

**Borrower Profile**

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. This conclusion is supported by the reasonable

performance regarding home mortgage loans and reasonable performance for small business loans. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and percentage of small business loans made to businesses with gross annual revenues of \$1 million or less. Aggregate and demographic data for home mortgage loans and D&B data for small business loans were used as comparisons.

### Home Mortgage Loans

The distribution of home mortgage loans to borrowers of different income levels is reasonable. Lending to low-income borrowers is slightly above aggregate but significantly below demographics in 2019. Lending to moderate-income borrowers exceeded aggregate and was slightly below demographics.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Non-MSA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	24.9	7.1	7	8.6	398	4.5
Moderate	19.9	15.8	15	18.5	935	10.4
Middle	18.5	17.5	23	28.4	2,176	24.2
Upper	36.6	46.7	34	42.0	5,042	56.1
Not Available	0.0	12.9	2	2.5	430	4.8
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>81</b>	<b>100.0</b>	<b>8,981</b>	<b>100.0</b>
<i>Source: 2015 ACS; 2019 HMDA Data; and, 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</i>						

### Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. The percentage by number of small business loans to businesses with gross annual revenues of \$1 million or less is higher than demographics

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Non-MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	81.1	5	83.3	215	30.1
>1,000,000	5.1	1	16.7	500	69.9
Revenue Not Available	13.8	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>715</b>	<b>100.0</b>
<i>Source: 2020 D&amp;B Data and Bank Records.</i>					

## **COMMUNITY DEVELOPMENT TEST**

The Poca Valley Bank, Inc. demonstrated adequate responsiveness to the community development needs of the Non-MSA assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities in the assessment area.

### **Community Development Loans**

The bank originated 32 community development loans totaling \$8.6 million in the Non-MSA assessment area. This level of lending represents 25.8 percent by number and 47.4 percent by dollar of bank-wide community development loans. The majority of the loans, 29 loans for \$8.2 million, were originated under the SBA PPP to help revitalize and/or stabilize the moderate-income tract and underserved and/or distressed middle-income census tracts. Examples of the community development loans include.

- A loan for \$271,000 to assist with after school programs for children in moderate- and underserved and distressed middle-income census tracts. The schools.
- A loan for \$112,000 was originated to purchase educational needs for a school with a majority of children receiving free-or reduced lunch.

### **Qualified Investments**

The Poca Valley Bank Inc. provided nine qualified investments and donations totaling \$3.5 million in the Non-MSA assessment area. This level of activity represents 56.3 percent by number and 99.5 percent of dollar volume of bank-wide qualified investments and donations. Examples of the investments and donations include:

- Three bonds totaling \$2.5 million were purchased by the institution to revitalize and stabilize the local school districts by funding various capital projects throughout the moderate-income census tract and underserved and distressed middle-income census tracts. The schools had more than 50 percent of the students receiving free and/or reduced lunches.
- The bank made two donations totaling \$6,750 to local schools in moderate-income census tracts and underserved and distressed middle-income areas to support youth programs. Over 50 percent of the students receive free or reduced lunch.

### **Community Development Services**

The Poca Valley Bank, Inc. provided one community development service in this assessment area. This level of activity represents 6.3 percent of total community development services. Examples of community development services include:

- Several employees participated in and promoted school savings programs and financial literacy programs. The schools have a majority of students who receive free or reduced lunch and are located in a moderate-income census tract or underserved and distressed middle-income census tracts.

## **HUNTINGTON MSA ASSESSMENT AREA – Full Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE HUNTINGTON MSA ASSESSMENT AREA**

The Poca Valley Bank, Inc. elected to delineate all of Putnam County, which is a part of the Huntington-Ashland, WV-KY-OH MSA, as the assessment area. The Huntington-Ashland, WV-KY-OH MSA includes seven counties in West Virginia, Ohio, and Kentucky; however, the bank only delineated Putnam County. The bank operates two full-service branches within this assessment area, which accounts for 28.6 percent of banking locations. Overall, the assessment area accounts for 22.4 percent of loans by dollar volume and 14.1 percent of bank-wide deposits. Prior to 2019, Lincoln County was included in the assessment area; however, Lincoln County became part of the Charleston, WV MSA as a result of the OMB MSA changes effective January 1, 2019. The performance for 2018 is based upon the prior designations with the 2019 and 2020 analyses compared to the demographics adjusted for the OMB changes.

#### **Economic and Demographic Data**

The assessment area contains 10 census tracts with the following 2015 ACS designations:

- 4 middle-income;
- 6 upper-income.

The following table presents select demographic characteristics of the assessment area.

<b>Demographic Information for the Huntington MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	10	0.0	0.0	40.0	60.0	0.0
Population by Geography	56,596	0.0	0.0	41.2	58.8	0.0
Housing Units by Geography	23,699	0.0	0.0	42.9	57.1	0.0
Owner-Occupied Units by Geography	17,999	0.0	0.0	41.4	58.6	0.0
Occupied Rental Units by Geography	3,708	0.0	0.0	45.8	54.2	0.0
Vacant Units by Geography	1,992	0.0	0.0	51.5	48.5	0.0
Businesses by Geography	3,588	0.0	0.0	31.9	68.1	0.0
Farms by Geography	145	0.0	0.0	41.4	58.6	0.0
Family Distribution by Income Level	15,879	14.3	15.5	18.8	51.5	0.0
Household Distribution by Income Level	21,707	15.8	13.4	16.7	54.1	0.0
Median Family Income MSA - Huntington-Ashland, WV-KY-OH MSA		\$54,584	Median Housing Value			\$151,092
			Median Gross Rent			\$711
			Families Below Poverty Level			7.2%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0 percent.</i>						
<i>(*) 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 compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. There are no low- or moderate-income tracts in the assessment area.

The 2018-2020 FFIEC MFIs for the Huntington-Ashland, WV-KY-OH MSA are used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category using a 2018 MFI of \$56,500, a 2019 MFI of \$58,500, and a 2020 MFI of \$60,500.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2018 (\$56,500)	<\$28,250	\$28,250 to <\$45,200	\$45,200 to <\$67,800	≥\$67,800
2019 (\$58,800)	<\$29,400	\$29,400 to <\$47,040	\$47,040 to <\$70,560	≥\$70,560
2020 (\$60,500)	<\$30,250	\$30,250 to <\$48,400	\$48,400 to <\$72,600	≥\$72,600
<i>Source: FFIEC</i>				

The demographic table above provides the distribution of families by income level which is used to analyze the Borrower Profile for home mortgage lending. With a median housing value of \$151,092 a low-income individual, which earned less \$30,250 in 2020, may have difficulty qualifying for a conventional mortgage.

According to D&B data, 3,588 businesses operate within the assessment area. The analysis of small business lending compares the percentage of businesses located within low-, moderate-, middle-, and upper-income census tracts for the Geographic Distribution. The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual business revenues. Per D&B data for 2020, gross revenues for these businesses are:

- 81.6 percent reported \$1.0 million or less;
- 5.2 percent reported more than \$1.0 million; and
- 13.1 percent did not report

The Service sector represents the largest portion of businesses at 36.4 percent. In addition, 62.1 percent of the area businesses have four or fewer employees, and 85.9 percent operate from a single location. The largest employers within the assessment area are Toyota Motor Manufacturing, Appalachia Power Company, and CAMC Teays Valley Hospital.

Unemployment data obtained from the Bureau of Labor Statistics indicates that the unemployment rates have increased since the previous evaluation due to the national pandemic. The unemployment rates for Putnam County remained below the state average but higher than the national average for 2018 and 2019. Putnam County’s unemployment rate in 2020 was below the national average.

<b>Unemployment Rates</b>			
<b>Geographic Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Putnam County	4.8	4.3	7.5
West Virginia	5.2	4.9	8.4
National Average	3.9	3.7	8.1
<i>Source: Bureau of Labor Statistics</i>			

## **Competition**

The Huntington MSA assessment area is highly competitive for financial services. According to the FDIC Deposit Market Share data as of June 30, 2020, there are 13 FDIC-insured financial institutions operating 19 offices within the assessment area. Of these institutions, The Poca Valley Bank, Inc., ranks 7<sup>th</sup> with 4.3 percent of the market share. The primary competitors for deposits include Putnam County Bank (42.3 percent); City National Bank of West Virginia (16.0 percent); and Truist Bank (10.6 percent).

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders in this assessment area. In 2019, 126 lenders reported 1,723 residential mortgage loans originated or purchased in the assessment area. Of these lenders, The Poca Valley Bank, Inc. ranked 12<sup>th</sup> with 2.4 percent market share. The three most prominent home mortgage lenders include City National Bank of West Virginia (14.6 percent); LoanDepot LLC (7.9 percent); and PrimeLending (5.4 percent). These top three lenders account for 27.9 percent of total market share by number of home mortgage loans originated or purchased.

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects a high level of demand for small business loans. Aggregate data for 2019 shows 48 institutions reported 935 small business loans in the assessment area. The top three lenders by number include JP Morgan Chase Bank, NA (13.6 percent); American Express National Bank (12.4 percent); and Truist (11.9 percent). Together, the three top lenders account for 37.9 percent by number. The top three lenders by dollar amount were Truist Financial (27.2 percent); Putnam County Bank (9.9 percent); and JP Morgan Chase Bank, NA (9.0 percent). These three institutions account for 46.1 percent of the dollar volume.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment areas to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also demonstrates what credit and community development opportunities are available.

Examiners referenced a recent community contact with an organization that operates within the bank's assessment area. The community contact noted the greatest need in the assessment area is working capital loans to help with general facility needs such as renovation to attract customers to small businesses. The community contact indicated there is ample opportunity for these loans to assist small businesses. The contact also indicated the SBA PPP has had a very positive impact on area businesses.

### **Credit and Community Development Needs and Opportunities**

Considering the community contact and demographic and economic data, examiners determined that home mortgage and small business loans represent significant credit needs for the assessment area. Examiners determined the need for small business loans, which is based on the high number of businesses with four or fewer employees and a majority of businesses reporting gross annual revenues of \$1 million or less as well as the comments from the community contact. Additionally, affordable housing represents a need as 29.8 percent of the families are low- or moderate-income and the higher median home value.



## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE HUNTINGTON MSA ASSESSMENT AREA

### LENDING TEST

The Poca Valley Bank, Inc. demonstrated reasonable performance under the Lending Test. The Geographic Distribution was not evaluated. The Borrower Profile distribution reflects reasonable dispersion throughout the Huntington MSA assessment area based on the reasonable home mortgage lending.

#### Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

#### Borrower Profile

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. This conclusion is supported by the reasonable performance regarding home mortgage loans

#### Home Mortgage Loans

The distribution of home mortgage loans to borrowers of different income levels is reasonable. Lending to low-income borrowers, while below demographics, is significantly higher than aggregate in 2019. Lending to moderate-income borrowers was below both demographics and aggregate data in 2019. There were no loans originated to low-income borrowers in 2018, but aggregate performance was relatively low at 3.9 percent. The bank's performance to moderate-income borrowers in 2018 was significantly higher than demographics.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Huntington MSA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	14.3	3.5	4	9.8	289	3.9
Moderate	15.5	11.3	4	9.8	394	5.4
Middle	18.8	20.8	7	17.1	1,009	13.8
Upper	51.5	54.6	23	56.1	4,898	66.9
Not Available	0.0	9.9	3	7.3	734	10.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>7,325</b>	<b>100.0</b>
<small>Source: 2015 ACS; 2019 HMDA Data; and, 2019 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0 percent.</small>						

## Small Business Loans

The distribution of small business loans reflects poor penetration among businesses of different sizes. The percentage by number of small business loans to businesses with gross annual revenues of \$1 million or less is significantly below demographics

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Huntington MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	81.6	6	37.5	800	21.5
>1,000,000	5.2	10	62.5	2,921	78.5
Revenue Not Available	13.1	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>3,721</b>	<b>100.0</b>

*Source: 2020 D&B Data and Bank Records.  
Due to rounding, totals may not equal 100.0 percent.*

## **COMMUNITY DEVELOPMENT TEST**

The Poca Valley Bank, Inc. demonstrated adequate responsiveness to the community development needs of the Huntington MSA assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities in the assessment area.

### **Community Development Loans**

The bank originated 28 community development loans totaling \$4.1 million under the SBA PPP in the Huntington MSA assessment area. This level of activity represents 22.6 percent by number and 22.6 percent by dollar of bank-wide community development loans.

### **Qualified Investments**

The Poca Valley Bank Inc. provided four qualified investments and donations totaling \$10,000 in the Huntington MSA assessment area. This level of activity represents 40.0 percent by number and 0.3 percent of dollar volume of bank-wide qualified investments and donations. Examples of the investments and donations include.

- The bank donated \$8,500 to an organization that provides housing for teens who have no home.
- The made two donations totaling \$1,500 to an organization that provides assistance for elderly individuals including transportation and home assistance.

## **Community Development Services**

The Poca Valley Bank, Inc. provided eight community development service in this assessment area. This level of activity represents 50.0 percent of total community development services.

- An officer served as a Board member for an organization that promotes economic development.
- An officer serves on the Board for an organization that provides assistance and support to the economic development authority.

## 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.

## 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. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution 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 institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution'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 institution's assessment area(s) or a broader statewide or regional area including the institution'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 institution'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.

## Branches

### **Walton Branch (Main Bank)**

*Established September 24, 1908*

Mailing Address:

PO Box 56

Walton, WV 25286

Located in Census Tract: 9629.01

Physical Address:

7033 Charleston Road

Walton, WV 25286

### **Clendenin Branch**

*Established October 15, 1987*

Mailing Address:

PO Box 848

Clendenin, WV 25045

Located in Census Tract: 0112.00

Physical Address:

545 Spencer Road

Clendenin, WV 25045

### **Elkview Branch**

*Established June 15, 1990*

Mailing Address:

PO Box 69

Elkview, WV 25071

Located in Census Tract: 0111.00

Physical Address:

5087 Elk River Road North

Elkview, WV 25071

### **Sissonville Branch**

*Established July 23, 1997*

Mailing Address:

PO Box 13456

Sissonville, WV 25360

Located in Census Tract: 0108.03

Physical Address;

6420 Sissonville Drive

Sissonville, WV 25320

### **Poca Branch**

*Established September 18, 2000*

Mailing Address:

PO Box 1147

Poca, WV 25159

Located in Census Tract: 0205.00

Physical Address:

142 Main Street

Poca, WV 25159

### **Winfield Branch**

*Established January 12, 2001*

Mailing Address:

PO Box 856

Winfield, WV 25213

Located in Census Tract: 0204.00

Physical Address:

12737 Winfield Road

Winfield, WV 25213

**Spencer Branch**

*Established April 1, 2005*

Mailing Address:

PO Box 432

Spencer, WV 25276

Located in Census Tract: 9630.00

Physical Address:

1 Black Walnut Avenue

Spencer, WV 25276

**Kanawha City Branch**

*Established May 25, 2022*

Mailing Address:

3800 MacCorkle Avenue SE

Charleston, WV 25304

Located in Census Tract: 0015.00

Physical Address:

3800 MacCorkle Avenue SE

Charleston, WV 25304

Poca Valley Bank has not closed any branches during the current year or each of the prior two calendar years.

Poca Valley Bank has opened the following branch during the current year or during the prior two calendar years.

**Kanawha City Branch**

*Established May 25, 2022*

Mailing Address:

3800 MacCorkle Avenue SE  
Charleston, WV 25304

Located in Census Tract: 0015.00

Physical Address:

3800 MacCorkle Avenue SE  
Charleston, WV 25304

## Poca Valley Bank Hours of Operations by Branch

### Walton Branch Hours

Day	Lobby	Drive-Thru
Monday – Friday	8:00 am – 4:00 pm	8:00 am – 4:00 pm
Saturday	8:00 am – 12:00 pm	8:00 am – 12:00 pm

### Clendenin Branch Hours

Day	Lobby	Drive-Thru
Monday – Friday	8:00 am – 4:00 pm	8:00 am – 4:00 pm
Saturday	Closed	Closed

### Elkview Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	8:00 am – 4:00 pm	7:00 am – 6:00 pm
Friday	8:00 am – 6:00 pm	7:00 am – 6:00 pm
Saturday	8:00 am – 12:00 pm	8:00 am – 12:00 pm

### Sissonville Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	9:00 am – 4:00 pm	8:00 am – 5:00 pm
Friday	9:00 am – 6:00 pm	8:00 am – 6:00 pm
Saturday	9:00 am – 12:00 pm	8:00 am – 12:00 pm

### Poca Branch Hours

Day	Lobby	Drive-Thru
Monday – Friday	9:00 am – 5:00 pm	9:00 am – 5:00 pm
Saturday	Closed	Closed

### Spencer Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	8:00 am – 4:00 pm	8:00 am – 5:00 pm
Friday	8:00 am – 6:00 pm	8:00 am – 6:00 pm
Saturday	8:00 am – 12:00 pm	8:00 am – 12:00 pm

### Winfield Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	9:00 am – 4:00 pm	8:00 am – 5:00 pm
Friday	9:00 am – 5:00 pm	8:00 am – 5:00 pm
Saturday	9:00 am – 12:00 pm	9:00 am – 12:00 pm

### Kanawha City Branch Hours

Day	Lobby	Drive-Thru
Monday – Thursday	8:00 am – 5:00 pm	7:30 am – 6:00 pm
Friday	8:00 am – 6:00 pm	7:30 am – 6:00 pm
Saturday	8:00 am – 12:00 pm	8:00 am – 12:00 pm

## **Poca Valley Bank Loan Products**

Commercial - ARM

Commercial - Installment

Commercial - Letter of Credit

Commercial - Line of Credit

Commercial - Real Estate

Commercial - Single Pay

Commercial – Credit Card

Consumer – Installment

Consumer - Line of Credit

Consumer - Single Pay

Consumer – Credit Card

Mortgage - ARM

Mortgage - HELOC

Mortgage - Interest Only

Mortgage - Fixed Rate Amortizing

## Poca Valley Bank Deposit Products

Simply Yours Checking

Simply Elite Checking

Simply Student Checking

Simply Senior Checking

Simply ICS Checking (Personal)

Regular Checking (Building Fund)

eSavings

Student Savings

IRA Savings (Traditional or Roth)

Vacation Club

Christmas Club

Certificate of Deposit (Various Terms)

IRAs (Various Terms)

CDARS

Business MMDA

Business Checking

Free 100 Business Checking

Business Checking (ICS)

Commercial Analysis

Commercial Analysis Waive

IOLTA

Business Manager

ICS MMDA (NP)

Business Savings





Walton WV, 25286

# Service Fee Schedule

Effective: Oct.15, 2020

The following fees may be assessed on your account if applicable:

PVB Online Banking	No Charge
PVB Bill Payment Service	No Charge
TeleBank	No Charge
Mobile Banking	No Charge
<b>Funds Transfers</b>	
Mobile	No Charge
In Branch Transfers	No Charge
Telebank Transfers	No Charge
Telephone Transfers	\$5.00
<b>Tax Levy/Garnishment</b>	
	\$100.00
<b>Overdraft Protection Auto Transfer</b>	\$5.00
<b>NSF Returned Items</b>	\$35.00 Each
<b>NSF Paid Items</b>	\$35.00 Each
<b>Returned Deposited/Cashed Checks</b>	\$10.00
<b>Stop Payments</b>	\$40.00
<b>Dormant Account Fee</b>	\$5.00 per month
<small>(Checking dormant after 1yr/Savings dormant after 2yrs)</small>	
<b>Visa check/debit Card</b>	
Monthly fee	No Charge
Poca Valley Bank/Sheetz ATM usage	No Charge
POS transactions	No Charge
Foreign ATM usage	No Charge
Replacement Card	\$10.00
<b>Visa Gift Cards</b>	
Gift Cards	\$3.00
Reloadable Cards	\$5.00

## Copies and Research

Account Activity Printout	\$6.00
Additional printouts (Per Page)	\$0.25
Extra Statement Charge (per statement)	\$6.00
Statement Print Out with images (per statement)	\$6.00
Account Research	\$25.00 Per Hour
Minimum Charge is \$25 (payable in advance)	
Check Images	1.00 per check

## Zipper Bags

No Lock	\$5.00
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## Non Deliverable Mail (monthly fee)

	\$2.00
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<b>Cashier Checks</b>	\$5.00 each
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<b>Counter Checks</b>	\$1.00 each
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<b>Photocopies</b>	\$0.25 Each
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## Notary Services

Customer	No Charge
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Non-Customer	\$2.00
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## Safe Deposit Boxes

Box Sizes and Pricing Varies at Each location	\$20 - \$105.00
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Safe Deposit Boxes - Lost Key	\$25.00
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Safe Deposit Boxes Drilling Charges (Minimum Charge)	\$250.00
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## Wire Transfers

Customer (incoming)	\$15.00
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Customer Domestic (outgoing)	\$30.00
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Customer International	\$60.00
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## **LOAN TRANSACTION FEES**

### **Non-Residential Consumer Loans**

Loan document fee - \$150

Line of credit annual fee - \$25

Modification fee - \$35

### **Consumer Real Estate Secured Loans**

ARM loan, processing fee - \$600.00

ARM loan (two property), processing fee - \$950.00

ARM loan with building fund, processing fee - \$1,100.00

Construction loan, processing fee - \$1,750.00

Construction loan (two property), processing fee - \$3,250.00

Construction loan extension fee - \$250 1<sup>st</sup> extension; \$500 subsequent extensions

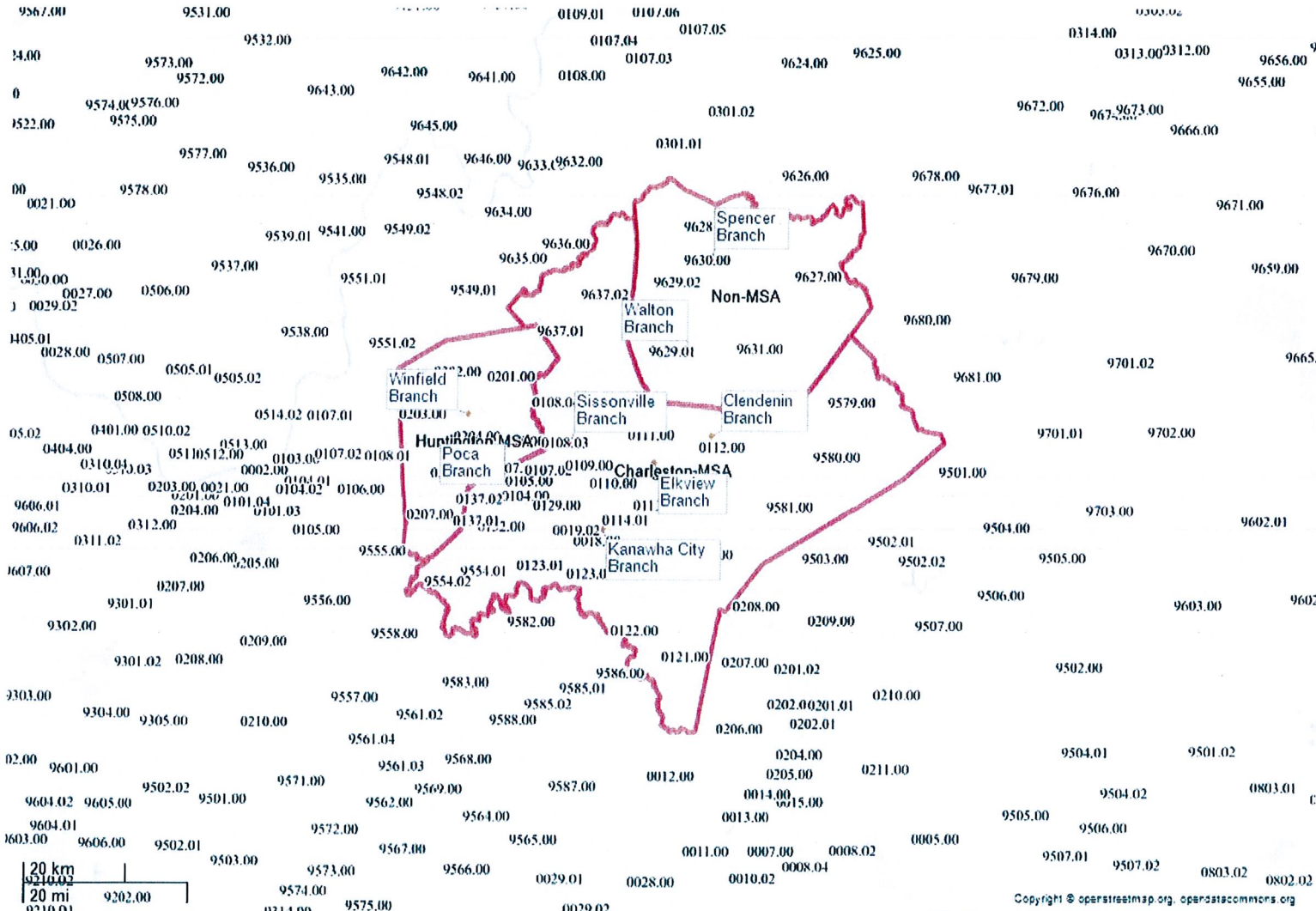
Balloon loan renewal fee - \$100

### **Commercial Loans**

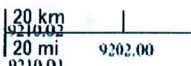
Variable by loan

# The Poca Valley Bank Inc.

PVB Updated AA Map



- State
- ▬ County
- ▬ Census Tract
- ▬ Zip Code
- ▬ Assessment Area
- ◆ Branch
- ◆ Limited Service Branch
- ◆ Main Office
- ◆ Cash Dispenser
- ◆ Deposit ATM or ITM
- ◆ Other



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### Applied Filters

- Facility Status: (Open)
- CRA Loans: Loan File
- Real Estate Loans Action Taken Date: (2/1/1979 - 12/29/2023)
- Real Estate Loans: Loan File
- You are included in the HMDA benchmark.
- Area: (Non-MSA, Huntington MSA, Charleston MSA)



## **THE POCA VALLEY BANK HOME MORTGAGE DISCLOSURE ACT NOTICE**

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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.

These data are available online at the Consumer Financial Protection Bureau's website ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

HMDA data for many other financial institutions are also available at this Web site.

## 2023 Loan To Deposit Ratios

### Quarter

1st 82.47%

2nd 85.28%

3rd 87.51%

4th 86.18%