



LARGE BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**First Community Bank, National Association
Charter Number: 23892**

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Office of the Comptroller of the Currency

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

Institution's CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of **First Community Bank, National Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Community Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to assessment area (AA) credit needs;
- The overall distribution of loans by income level of the geography is good;
- The overall distribution of loans by income level of the borrower is good;
- Investments reflect adequate responsiveness to AA needs in West Virginia; and
- Services reflect good responsiveness to AA needs in West Virginia.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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

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

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract or a block numbering area 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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multi-family (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of

individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

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

Rated Area: A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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

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

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

First Community Bank, N.A. (FCB) is an interstate financial institution with total assets of \$1.7 billion and Tier One Capital of \$137 million as of March 31, 2004. FCB is owned by First Community Bancshares, Inc., a one-bank holding company headquartered in Bluefield, Virginia. The bank currently has no affiliates owned by the holding company. The only bank subsidiary is Stone Capital Management, Inc., a registered investment advisory firm that FCB acquired in early 2003. In August 2004, FCB sold United First Mortgage, Inc., a residential mortgage brokerage subsidiary headquartered in Richmond, Virginia.

FCB has a presence in West Virginia, Virginia, North Carolina and Tennessee. An eleven-county area in southern West Virginia and southwestern Virginia continues to be FCB's primary market. This area includes Logan, Mercer, Monroe, Raleigh, Summers and Wyoming Counties in West Virginia and Alleghany, Dickinson, Tazewell, Wise and Wythe Counties in Virginia. FCB established a new presence in the Richmond-Petersburg VA MSA by virtue of its acquisition of The Commonwealth Bank in June 2003. FCB has a relatively small, but growing, presence in North Carolina. FCB established three new branches in the Greensboro-Winston-Salem-High Point NC MSA in the second half of 2003. FCB expanded its operations into the Charlotte-Gastonia-Rock Hill NC-SC MSA and the state of Tennessee during the six months preceding the start of this evaluation.

FCB provides various loan, deposit and trust products and services to its customers. Net loans totaled \$1 billion, or 61% of total assets, as of March 31, 2004. The bank has historically been a real estate lender. Approximately 82% of the loan portfolio consists of real estate secured loans. Residential 1 to 4 family and commercial real estate loans comprise 42% and 36% of real estate loans, respectively. Small farm and consumer loans are not significant loan products. There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs of its AAs.

The OCC last evaluated FCB's CRA performance as of August 6, 2001. The bank received an overall "Outstanding" rating at that time.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the lending, investment and service tests. We reviewed residential mortgage loans subject to filing under HMDA and small loans to businesses in evaluating the bank's lending performance. We did not consider small loans to farms in assessing the bank's lending performance in West Virginia and Virginia because loan volumes were not significant enough in these states to perform a meaningful analysis. We did not consider multi-family loans in assessing the bank's lending performance because loan volumes were not significant enough to perform a meaningful analysis. FCB did not provide optional consumer loan data for consideration under the lending test. Consumer loans do not constitute a substantial majority of the bank's business.

With the exception of community development loans, the evaluation period for the lending test is January 1, 2001 through December 31, 2002. The evaluation period for CD loans, the investment test and the service test is August 7, 2001 through August 27, 2004.

Data Integrity

FCB's public lending information is materially accurate. We previously tested the accuracy of the bank's publicly filed information for home mortgage and small business lending. The bank continues to have effective internal processes for collecting, validating and filing reportable loan information.

We also verified community development loans, investments and services submitted by bank management to ensure that they meet the regulatory definition and purpose of community development. As a result of our review, those items that did not meet the community development definition were not given consideration in our evaluation process.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, at least one AA within that state was selected for a full-scope review. Refer to the "Scope" section under each State Rating for details regarding how the areas were selected.

Ratings

The bank's overall rating is a blend of the West Virginia, Virginia and North Carolina state ratings. The state of Tennessee did not receive a rating because of the bank's recent entry into that new market. AAs added by a bank six months or less before the end of an evaluation period are not included in the evaluation because of the lack of sufficient data needed to perform a meaningful analysis. The West Virginia State Rating is weighed more heavily than the Virginia and North Carolina State Ratings in

arriving at the overall bank rating due to a substantial majority of deposits and loans being from this state. State ratings are based primarily on AAs receiving full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating. The distribution of loans by income level of the borrower is weighted more heavily than the distribution of loans by income level of the geography in West Virginia and North Carolina because there are no low-income geographies and few moderate-income geographies in the full-scope AAs in these states. Additionally, a very low percentage of low- and moderate-income families live in moderate-income geographies in full-scope AAs in these states.

Evaluation of the bank's performance under the investment test is subjective and considers the number and amount of investments, the extent that the investments meet the credit and community development needs of an AA, the extent that the investments are not routinely made by others and the complexity or innovation displayed in the investments. Current period investments are weighted more heavily than prior period investments. Branch distribution and branch openings and closings are weighted the heaviest in determining overall performance under the service test.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

State Rating

State of North Carolina

CRA Rating for North Carolina: Satisfactory

The lending test is rated: Outstanding

The investment test is rated: Needs to Improve

The service test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs;
- The overall distribution of loans by income level of the geography is excellent;
- The overall distribution of loans by income level of the borrower is good;
- Investments reflect poor responsiveness to AA needs; and
- Services reflect adequate responsiveness to AA needs.

Description of Institution's Operations in North Carolina

Seven percent of bank-wide AA deposits and 16% of bank-wide AA number of loans are from North Carolina. FCB operates eight branches in North Carolina. The most significant AA in the state, in terms of lending and deposits, is a three county area in the northwestern region of the state near the Virginia border. This AA includes the contiguous counties of Alleghany, Surry and Wilkes and is identified for purposes of this evaluation as the Non-MSA Counties AA. This AA accounts for 53% of rated area deposits and 67% of rated area loans. Alexander County, which is part of the Hickory-Morganton-Lenoir, NC MSA, is an AA unto itself. Forsythe and Yadkin Counties, which are part of the Greensboro-Winston Salem-High Point, NC MSA, constitute another AA.

Refer to the market profile for the Non-MSA Counties AA in Appendix C for detailed demographics and other performance context information.

Scope of Evaluation in North Carolina

The Non-MSA Counties AA received a full-scope review based primarily on the higher percentage of rated area deposits and loans. The Alexander County AA and the Forsythe and Yadkin Counties AA received limited-scope reviews. The Forsyth and Yadkin Counties AA is not included in the evaluation of FCB's performance under the lending test because the evaluation period for this test predates the bank's presence in this AA. However, performance in this AA is considered in evaluating performance under the investment and service tests. The ratings for North Carolina are based

primarily on the results of the Non-MSA Counties AA. Refer to the table in Appendix A for more information.

We conducted one community contact in the Non-MSA Counties AA. This contact is a non-profit organization with an economic development purpose.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in North Carolina is rated Outstanding. Performance in the Non-MSA Counties AA is rated Outstanding based on a full-scope review.

Lending Activity

Refer to Table 1 Lending Volume in the state of North Carolina section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall lending levels in the Non-MSA Counties AA reflect excellent responsiveness to AA credit needs. FCB ranked number ten in deposits with a 2.4% market share as of June 30, 2003. FCB ranked number thirteen for home purchase loans, number one for home improvement loans and number fifteen for home mortgage refinance loans with respective market shares of 2.3%, 14.1% and 1.9%. Residential lending market shares reflect strong competition with 193 residential lenders originating or purchasing loans in the AA, many of which are not financial institutions. FCB ranked number eight in making small loans to businesses with a 4.3% market share. There are 47 lenders making small loans to businesses in the AA.

Distribution of Loans by Income Level of the Geography

There are no low-income census tracts in the Non-MSA Counties AA. Therefore, the evaluation of geographic loan distribution in this AA reflects performance in moderate-income tracts. There are only two moderate-income tracts in the AA. We considered the number of competitors making loans in this market.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of home mortgage loans. FCB originated a minimal number of multi-family loans. Therefore, a geographic analysis of multi-family loans is not meaningful.

The overall geographic distribution of home mortgage loans is excellent. The geographic distribution of home purchase loans is excellent. The percentage of home purchase loans to borrowers living in moderate-income tracts exceeds the percentage of owner-occupied units within these tracts. The geographic distribution of home

improvement loans is excellent. The percentage of home improvement loans to borrowers living in moderate-income tracts exceeds the percentage of owner-occupied units within these tracts. The geographic distribution of home mortgage refinance loans is excellent. The geographic distribution of home mortgage refinance loans to borrowers living in moderate-income tracts exceeds the percentage of owner-occupied units within these tracts. Market shares in moderate-income tracts exceed overall market shares for each loan product.

Small Loans to Businesses

Refer to Table 6 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The percentage of small loans to businesses in moderate-income tracts exceeds the percentage of businesses in these tracts. Market share for small loans to businesses exceeds overall market share for this loan product.

Small Loans to Farms

Refer to Table 7 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The geographic distribution of small loans to farms is excellent. The percentage of small loans to farms in moderate-income tracts exceeds the percentage of farms in these tracts. Market share for small loans to farms exceeds overall market share.

Lending Gap Analysis

We did not identify any unexplained conspicuous lending gaps that would adversely impact the analysis of the distribution of loans by income level of the geography.

Inside/Outside Ratio

The analysis of the bank's lending inside and outside the AAs includes originations and purchases only and was performed at the bank level, as opposed to the AA level. FCB originated a substantial majority of its loans within its AAs. The bank originated 85% of its home purchase loans, 91% of its home improvement loans, 91% of its home mortgage refinance loans and 84% of its small loans to businesses within its AAs. This analysis has a positive impact on the overall geographic distribution analysis.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of home mortgage loans.

The overall borrower distribution of home mortgage loans is good.

The borrower distribution of home purchase loans is good. The percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the AA. Market share for low-income borrowers is significantly below overall market share for this product. We considered barriers, such as the number of households that live below the poverty level, that the bank faces in originating home purchase loans to low-income borrowers. Approximately 18% of households in the Non-MSA Counties AA live below the poverty level. Borrowers living below the poverty level typically find it more difficult to purchase a home than borrowers with more income. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Market share for moderate-income borrowers substantially meets overall market share for this product.

The borrower distribution of home improvement loans is excellent. The percentage of loans to low-income borrowers exceeds the percentage of low-income families in the AA. Market share for low-income borrowers exceeds overall market share for this product. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. Market share for moderate-income borrowers exceeds overall market share for this product.

The borrower distribution of home mortgage refinance loans is good. The percentage of loans to low-income borrowers is near to the percentage of low-income families in the AA. Market share for low-income borrowers exceeds overall market share for this product. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Market share for moderate-income borrowers is below overall market share for this product.

Small Loans to Businesses

Refer to Table 11 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The borrower distribution of small loans to businesses is excellent. The percentage of small loans to businesses (businesses with annual revenues of \$1 million or less) is near to the percentage of small businesses in the AA. However, market share of small loans to businesses exceeds overall market share by almost 3:1. Additionally, a

substantial majority of small loans to businesses are for amounts of \$100 thousand or less.

Small Loans to Farms

Refer to Table 12 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The borrower distribution of small loans to farms is good. The percentage of small loans to farms (farms with annual revenues of \$1 million or less) is near to the percentage of small farms in the AA. Market share of small loans to farms substantially meets overall market share. Additionally, a substantial majority of small loans to farms are for amounts of \$100 thousand or less.

Community Development Lending

Refer to Table 1 Lending Volume in the state of North Carolina section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multi-family loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans, however.

Community development lending did not affect the lending test rating. FCB did not report any community development loans for the evaluation period.

Product Innovation and Flexibility

FCB does not have innovative or flexible loan products designed to meet the specific credit needs of low- and moderate-income individuals and small businesses and farms. However, FCB considers alternative indicators of credit worthiness for individuals lacking more traditional credit histories.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, performance under the lending test in the Alexander County AA is not inconsistent with overall performance under the lending test in North Carolina.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in North Carolina is rated Needs to Improve. Based on a full-scope review, performance in the Non-MSA Counties AA is poor.

Refer to Table 14 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Community development investments represent poor responsiveness in light of AA needs and opportunities. FCB made qualified investments totaling \$14 thousand during the evaluation period. The majority of this amount is an investment in a Small Business Investment Company (SBIC) that serves a broader regional area that encompasses several AAs, including the Other Non-MSA Counties AA. The investment is allocated among the full-scope AAs located in the regional area served by the SBIC on the basis of deposits. Remaining current period investments are donations to entities with a qualified community development purpose.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, performance in the Alexander County AA and the Forsyth and Yadkin Counties AA is not inconsistent with overall performance under the investment test in North Carolina. FCB had no investments in the Alexander County AA. Qualified investments in the Forsyth and Yadkin Counties AA are only \$3 thousand. These donations are to entities with a qualified community development purpose. Prior period investments total \$23 thousand. Refer to the Table 14 in the state of North Carolina section of Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in North Carolina is rated Low Satisfactory. Based on a full-scope review, performance in the Non-MSA Counties AA is adequate.

There are no low-income census tracts in the Non-MSA Counties AA. Therefore, the evaluation of the bank's branch delivery system and branch openings and closings reflects performance in moderate-income tracts. There are only two moderate-income tracts in the AA.

Retail Banking Services

Refer to Table 15 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Retail banking services in the Non-MSA Counties AA are accessible to geographies and individuals of different income levels. FCB does not have any branches in low- and moderate-income tracts. However, there are no low-income tracts and only two moderate-income tracts in the AA. Furthermore, only 4% of the population lives in moderate-income tracts. Branches are accessible to this relatively narrow segment of the population. FCB did not open or close any branches in this AA during the evaluation period.

Alternative delivery systems include proprietary and non-proprietary ATMs and banking by computer and telephone. These systems provide a means for customers to perform certain banking functions such as balance inquiry and account transfers without going to a branch location. We did not place significant weight on alternative delivery systems when drawing our performance conclusions due to the lack of data supporting a positive impact on low- and moderate-income geographies and individuals.

FCB offers a wide range of products and services throughout its AA. Products, services and business hours are reasonable and do not vary in a way that inconveniences certain portions of the AA.

Community Development Services

FCB provided a poor level of community development services. The bank did not identify any qualified service activities in the full-scope AA. Community development service opportunities include financial literacy, small business counseling, and home ownership counseling.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, performance in the Alexander County AA and the Forsyth and Yadkin Counties AA is not inconsistent with overall Low Satisfactory performance under the service test in North Carolina. Refer to Table 15 in the North Carolina section of Appendix D for the facts and data used to support this conclusion.

State Rating

State of Virginia

CRA Rating for Virginia: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Needs to Improve

The service test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs;
- The overall distribution of loans by income level of the geography is good;
- The overall distribution of loans by income level of the borrower is good;
- Investments reflect poor responsiveness to AA needs; and
- Services reflect adequate responsiveness to AA needs.

Description of Institution's Operations in Virginia

Twenty percent of bank-wide AA deposits and 15% of bank-wide AA number of loans are from Virginia. FCB operates 15 branches in Virginia. The most significant AA in Virginia, in terms of lending and deposits, is a five-county area in the southwestern part of the state. This AA includes the contiguous counties of Dickinson, Tazewell, Wise and Wythe, and the noncontiguous county of Alleghany, and is identified for purposes of this evaluation as the Southwestern Non-MSA Counties AA. This AA accounts for 70% of rated area deposits and 90% of rated area loans. The non-contiguous counties of Charlotte and Greenville in the southern part of the state are combined to form the Other Non-MSA Counties AA due to similarities in economies and demographics. FCB established a presence in the Richmond-Petersburg VA MSA in 2003 to form a new AA (Richmond Area) that includes Chesterfield and Henrico Counties.

Refer to the market profile for the Southwestern Non-MSA Counties AA in Appendix C for demographic and other performance context information.

Scope of Evaluation in Virginia

The Southwestern Non-MSA Counties AA received a full-scope review based primarily on the higher percentage of rated area deposits and loans. The Other Non-MSA Counties and Richmond Area AAs received limited-scope reviews. The Richmond Area AA is not included in the evaluation of FCB's performance under the lending test because the evaluation period for this test predates the bank's presence in this AA. However, performance in the Richmond Area AA is considered in evaluating

performance under the investment and service tests. The ratings for Virginia are based primarily on the results of the Southwestern Non-MSA Counties AA.

We conducted three community contacts in the Southwestern Non-MSA counties AA. These contacts included a non-profit organization involved in small business development, an industrial development authority, and a realtor with insight into affordable housing issues.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Virginia is rated High Satisfactory. Performance in the Southwestern Non-MSA Counties AA is rated High Satisfactory based on a full-scope review.

Lending Activity

Refer to Table 1 Lending Volume in the state of Virginia section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall lending levels in the Southwestern Non-MSA Counties AA reflect excellent responsiveness to AA credit needs. FCB ranked number four in deposits with a 7.9% market share as of June 30, 2003. FCB ranked number one for home purchase loans, number three for home improvement loans and number six for home mortgage refinance loans with respective market shares of 11.4%, 13.1% and 6.4%. Residential lending market shares reflect strong competition with 146 residential lenders originating or purchasing loans in the AA, many of which are not financial institutions. FCB ranked number five in making small loans to businesses with a 4.8% market share. There are 45 lenders making small loans to businesses in the AA.

Distribution of Loans by Income Level of the Geography

There are no low-income census tracts in the Southwestern Non-MSA Counties AA. Therefore, the evaluation of geographic loan distribution in this AA reflects performance in moderate-income tracts. We considered the number of competitors making loans in this market.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in the state of Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of home mortgage loans. FCB originated a minimal number of multi-family loans. Therefore, a geographic analysis of multi-family loans is not meaningful.

The overall geographic distribution of home mortgage loans is good. The geographic distribution of home purchase loans is good. The percentage of home purchase loans

to borrowers living in moderate-income tracts is near to the percentage of owner-occupied units within these tracts. Market share in moderate-income tracts exceeds overall market share for this product. The geographic distribution of home improvement loans is excellent. The percentage of home improvement loans to borrowers living in moderate-income tracts exceeds the percentage of owner-occupied units within these tracts. Market share in moderate-income tracts exceeds overall market share for this product. The geographic distribution of home mortgage refinance loans is adequate. The geographic distribution of home mortgage refinance loans to borrowers living in moderate-income tracts is below the percentage of owner-occupied units within these tracts. Market share in moderate-income tracts exceeds overall market share for this product.

Small Loans to Businesses

Refer to Table 6 in the state of Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is adequate. The percentage of small loans to businesses in moderate-income tracts is below the percentage of businesses in these tracts. Market share for small loans to businesses exceeds overall market share for this loan product.

Lending Gap Analysis

We did not identify any unexplained conspicuous lending gaps that would adversely impact the analysis of the distribution of loans by income level of the geography.

Inside/Outside Ratio

The analysis of the bank's lending inside and outside the AAs includes originations and purchases only and was performed at the bank level as opposed to the AA level. FCB originated a substantial majority of its loans within its AAs. The bank originated 85% of its home purchase loans, 91% of its home improvement loans, 91% of its home mortgage refinance loans and 84% of its small loans to businesses within its AAs. This analysis has a positive impact on the overall geographic distribution analysis.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Virginia section of Appendix D for facts and data used to evaluate the borrower distribution of the bank's originations and purchases of home mortgage loans.

The overall borrower distribution of home mortgage loans is good.

The borrower distribution of home purchase loans is good. The percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the AA. However, market share for low-income borrowers exceeds overall market share for this product by almost 2:1. We considered barriers, such as the number of households that live below the poverty level, that the bank faces in originating home purchase loans to low-income borrowers. Approximately 16% of households in the Southwestern Non-MSA AA live below the poverty level. Borrowers living below the poverty level typically find it more difficult to purchase a home than borrowers with more income. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. Market share for moderate-income borrowers exceeds overall market share for this product.

The borrower distribution of home improvement loans is good. The percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the AA. However, market share for low-income borrowers is near to overall market share for this product. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Market share for moderate-income borrowers is near to overall market share for this product.

The borrower distribution of home mortgage refinance loans is adequate. The percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the AA. However, market share for low-income borrowers exceeds overall market share for this product. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Market share for moderate-income borrowers exceeds overall market share for this product.

Small Loans to Businesses

Refer to Table 11 in the state of Virginia section of Appendix D for facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The borrower distribution of small loans to businesses is good. The percentage of small loans to businesses (businesses with annual revenues of \$1 million or less) is near to the percentage of small businesses in the AA. Market share of small loans to businesses exceeds overall market share. Additionally, a substantial majority of small loans to businesses are for amounts of \$100 thousand or less.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Virginia section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multi-family loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community

development loans. Table 5 does not separately list community development loans, however.

Community development lending did not affect the Lending Test rating. FCB did not report any community development loans for the evaluation period.

Product Innovation and Flexibility

FCB does not have innovative or flexible loan products designed to meet the specific credit needs of low- and moderate-income individuals and small businesses and farms. However, FCB considers alternative indicators of credit worthiness for individuals lacking more traditional credit histories.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, performance under the lending test in the Other Non-MSA Counties AA is not inconsistent with overall performance under the lending test in Virginia.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Virginia is rated Needs to Improve. Based on a full-scope review, performance in the Southwestern Non-MSA Counties AA is poor.

Refer to Table 14 in the state of Virginia section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Community development investment activity represents poor responsiveness in light of AA needs and opportunities. FCB made qualified investments totaling \$44 thousand during the evaluation period. The majority of this amount is an investment in an SBIC that serves a broader regional area that encompasses several AAs, including the Southwestern Non-MSA Counties AA. The investment is allocated among the full-scope AAs located in the regional area served by the SBIC on the basis of deposits. Remaining current period investments are donations to entities with a qualified community development purpose.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, performance in the Other Non-MSA Counties and Richmond Area AAs is not inconsistent with overall performance under the investment test in Virginia. Current period investments in the Other Non-MSA Counties AA and Richmond Area AA are only \$1 thousand each. These donations are to entities with a qualified community development purpose. Prior period investments total \$23

thousand. Refer to the Table 14 in the state of Virginia section of Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Virginia is rated Low Satisfactory. Based on a full-scope review, performance in the Southwestern Non-MSA Counties AA is adequate.

There are no low-income census tracts in the Southwestern Non-MSA Counties AA. Therefore, the evaluation of the bank's branch delivery system and branch openings and closings reflects performance in moderate-income tracts.

Retail Banking Services

Refer to Table 15 in the state of Virginia section of Appendix D for the facts and data used to evaluate the bank's branch delivery system and branch openings and closings.

Retail banking services in the Southwestern Non-MSA Counties AA are accessible to geographies and individuals of different income levels. The percentage of branches in moderate-income tracts is near to the percentage of the population living in these tracts. FCB opened two branches in this AA during the evaluation period. One branch is located in a moderate-income tract. The bank did not close any branches in this AA during the evaluation period.

Alternative delivery systems include proprietary and non-proprietary ATMs and banking by computer and telephone. These systems provide a means for customers to perform certain banking functions such as balance inquiry and account transfers without going to a branch location. We did not place significant weight on alternative delivery systems when drawing our performance conclusions due to the lack of data supporting a positive impact on low- and moderate-income geographies and individuals.

FCB offers a wide range of products and services throughout its AA. Products, services and business hours are reasonable and do not vary in a way that inconveniences certain portions of the AA.

Community Development Services

FCB provided a poor level of community development services. The bank served two organizations whose purpose is to support other organizations with a community development purpose. Community development service opportunities include financial literacy, small business counseling, and home ownership counseling.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, performance in the Other Non-MSA Counties AA is stronger than the overall Low Satisfactory performance under the service test in Virginia. The percentage of branches located in moderate-income tracts exceeds the percentage of the population living in these tracts. Additionally, FCB provided several qualified community development services to organizations serving this AA. Based on a limited-scope review, performance in the Richmond Area AA is not inconsistent with overall Low Satisfactory performance under the service test in Virginia. Refer to Table 15 in the state of Virginia section of Appendix D for the facts and data used to support this conclusion.

State Rating

State of West Virginia

CRA Rating for West Virginia:

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs;
- The overall distribution of loans by income level of the geography is good;
- The overall distribution of loans by income level of the borrower is good;
- Investments reflect adequate responsiveness to AA needs; and
- Services reflect good responsiveness to AA needs.

Description of Institution's Operations in West Virginia

A substantial majority of FCB's operations are in West Virginia. Seventy-four percent of bank-wide AA deposits and 69% of bank-wide AA number of loans reported are from West Virginia. A majority of total branches are located in West Virginia. The most significant AA in West Virginia in terms of lending and deposits is a six county area in the southern part of the state. This AA includes Logan, Mercer, Monroe, Raleigh, Summers and Wyoming Counties and is identified for purposes of this evaluation as the Southern Non-MSA Counties AA. This AA accounts for 73% of rated area deposits and 68% of rated area loans. The contiguous counties of Preston and Taylor are combined with the contiguous counties of Nicholas, Upshur and Webster to form the Northern Non-MSA Counties AA because of similarities in their economies and demographics.

Refer to the market profile for the Southern Non-MSA Counties AA in Appendix C for demographic and other performance context information.

Scope of Evaluation in West Virginia

The Southern Non-MSA Counties AA received a full-scope review based primarily on the higher percentage of rated area deposits and loans. The Northern Non-MSA Counties AA received a limited-scope review. The ratings for West Virginia are based primarily on the results of the Southern Non-MSA Counties AA.

We conducted one community contact in the Southern Non-MSA Counties AA. This contact is a community service non-profit organization. We also relied on community

contacts conducted in the Southwestern Non-MSA Counties AA in the state of Virginia. These AAs are adjacent and share similar economic and demographic characteristics.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in West Virginia is rated High Satisfactory. Performance in the Southern Non-MSA Counties AA is rated High Satisfactory based on a full-scope review.

Lending Activity

Refer to Table 1 Lending Volume in the state of West Virginia section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall lending levels in the Southern Non-MSA Counties AA reflect excellent responsiveness to meeting AA credit needs. FCB ranked number one in deposits with a 21.6% market share as of June 30, 2003. FCB ranked number one for home purchase loans, number one for home improvement loans and number two for home mortgage refinance loans with respective market shares of 18.2%, 38.6% and 15.1%. Residential lending market shares reflect strong competition with 126 residential lenders originating or purchasing loans in the AA, many of which are not financial institutions. FCB ranked number two in making small loans to businesses with a 14.6% market share. There are 51 lenders making small loans to businesses in the AA.

Distribution of Loans by Income Level of the Geography

There are no low-income census tracts in the Southern Non-MSA Counties AA. Therefore, the evaluation of geographic loan distribution in this AA reflects performance in moderate-income tracts. There are only three moderate-income tracts in the AA. We considered the number of competitors making loans in this market.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in the state of West Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of home mortgage loans. FCB originated a minimal number of multi-family loans. Therefore, a geographic analysis of multi-family loans is not meaningful.

The overall geographic distribution of home mortgage loans is excellent. The geographic distribution of home purchase loans is adequate. The percentage of home purchase loans to borrowers living in moderate-income tracts is below the percentage of owner-occupied units within these tracts. Market share in moderate-income tracts substantially meets overall market share for this product. The geographic distribution of home improvement loans is excellent. The percentage of home improvement loans to borrowers living in moderate-income tracts exceeds the percentage of owner-occupied

units within these tracts. Market share in moderate-income tracts exceeds overall market share for this product. The geographic distribution of home mortgage refinance loans is excellent. The geographic distribution of home mortgage refinance loans to borrowers living in moderate-income tracts exceeds the percentage of owner-occupied units within these tracts. Market share in moderate-income tracts exceeds overall market share for this product.

Small Loans to Businesses

Refer to Table 6 in the state of West Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is adequate. The percentage of small loans to businesses in moderate-income tracts is below the percentage of businesses in these tracts. Market share for small loans to businesses substantially meets overall market share for this loan product.

Lending Gap Analysis

We did not identify any unexplained conspicuous lending gaps that would adversely impact the analysis of the distribution of loans by income level of the geography.

Inside/Outside Ratio

The analysis of the bank's lending inside and outside the AAs includes originations and purchases only and was performed at the bank level as opposed to the AA level. FCB originated a substantial majority of its loans within its AAs. The bank originated 85% of its home purchase loans, 91% of its home improvement loans, 91% of its home mortgage refinance loans and 84% of its small loans to businesses within its AAs. This analysis has a positive impact on the overall geographic distribution analysis.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of West Virginia section of Appendix D for facts and data used to evaluate the borrower distribution of the bank's originations and purchases of home mortgage loans.

The overall borrower distribution of home mortgage loans is good.

The borrower distribution of home purchase loans is good. The percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the AA. However, market share for low-income borrowers exceeds overall market share for this product by almost 2:1. We considered barriers, such as the number of households that live below the poverty level, that the bank faces in originating home purchase loans

to low-income borrowers. Approximately 23% of households in the Southern Non-MSA Counties AA live below the poverty level. Borrowers living below the poverty level typically find it more difficult to purchase a home than borrowers with more income. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Market share for moderate-income borrowers exceeds overall market share for this product.

The borrower distribution of home improvement loans is good. The percentage of loans to low-income borrowers is below the percentage of low-income families in the AA. However, market share for low-income borrowers exceeds overall market share for this product. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Market share for moderate-income borrowers exceeds overall market share for this product.

The borrower distribution of home mortgage refinance loans is adequate. The percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the AA. However, market share for low-income borrowers exceeds overall market share for this product. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Market share for moderate-income borrowers is below overall market share for this product.

Small Loans to Businesses

Refer to Table 11 in the state of West Virginia section of Appendix D for facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The borrower distribution of small loans to businesses is excellent. The percentage of small loans to businesses (businesses with annual revenues of \$1 million or less) is near to the percentage of small businesses in the AA. Market share of small loans to businesses exceeds overall market share by over 2:1. Additionally, a substantial majority of small loans to businesses are for amounts of \$100 thousand or less.

Community Development Lending

Refer to Table 1 Lending Volume in the state of West Virginia section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multi-family loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans, however.

Community development lending did not affect the lending test rating. FCB did not report any community development loans for the evaluation period.

Product Innovation and Flexibility

FCB does not have innovative or flexible loan products designed to meet the specific credit needs of low- and moderate-income individuals and small businesses and farms. However, FCB considers alternative indicators of creditworthiness for individuals lacking more traditional credit histories. Additionally, the bank implemented a special loan program for flood victims in southern West Virginia. While not targeted specifically at low- and moderate-income individuals, low interest rates and flexible repayment terms undoubtedly benefited these individuals.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, performance under the lending test in the Northern Non-MSA Counties AA is stronger than overall performance under the lending test in West Virginia. Geographic and borrower loan distributions in this AA are excellent.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in West Virginia is rated Low Satisfactory. Based on a full-scope review, performance in the Southern Non-MSA Counties AA is good.

Refer to Table 14 in the state of West Virginia section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Community development investment activity represents adequate responsiveness to AA needs. FCB made qualified investments totaling \$146 thousand during the evaluation period. The majority of this amount is a pro rata investment in an SBIC that serves a broader regional area that includes the bank's AA. The investment is allocated among the full-scope AAs located in the regional area served by the SBIC on the basis of deposits. Remaining current period investments are donations to entities with a qualified community development purpose. FCB also has \$1.7 million in prior period investments, most of which relate to affordable multi-family housing projects that qualified for low-income housing tax credits. These investments meet a community development need that extends well beyond the period of initial investment.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, performance in the Northern Non-MSA Counties AA is weaker than overall performance under the investment test in West Virginia. Current period investments in this AA total only \$3 thousand in donations to entities with a qualified community development purpose. Prior period investments total \$23 thousand. Refer to the Table 14 in the state of West Virginia section of Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in West Virginia is rated High Satisfactory. Based on a full-scope review, performance in the Southern Non-MSA Counties AA is good.

Retail Banking Services

Refer to Table 15 in the state of West Virginia section of Appendix D for the facts and data used to evaluate the bank's branch delivery system and branch openings and closings.

Retail banking services in the Southern Non-MSA Counties AA are accessible to geographies and individuals of different income levels. FCB does not have any branches in low- and moderate-income tracts. However, there are no low-income tracts and only three moderate-income tracts in the AA. Furthermore, only 3% of the population lives in moderate-income tracts. Branches are accessible to this relatively narrow segment of the population. The bank opened four branches and closed two branches in this AA during the evaluation period. Both branch closings were located in middle-income tracts and have not affected accessibility to banking services for low- and moderate-income individuals.

Alternative delivery systems include proprietary and non-proprietary ATMs and banking by computer and telephone. These systems provide a means for customers to perform certain banking functions, such as balance inquiry and account transfers, without going to a branch location. We did not place significant weight on alternative delivery systems when drawing our performance conclusions due to the lack of data supporting a positive impact on low- and moderate-income geographies and individuals.

FCB offers a wide range of products and services throughout its AA. Products, services and business hours are reasonable and do not vary in a way that inconveniences certain portions of the AA.

Community Development Services

FCB provided an excellent level of community development services. The bank served various organizations with a community development purpose and conducted service activities that meet community development needs. These organizations and activities involve a variety of initiatives targeted at low- and moderate-income areas and individuals and small businesses including economic development, community services, and financial literacy. Examples include the following:

- Financial literacy efforts in numerous public schools involving school savings programs and financial education;

- Serving on a loan screening committee for an organization whose purpose is downtown economic development and revitalization;
- Serving on the Micro Loan Committee of an organization that assists with the housing, education and other basic needs of low-income families;
- Sponsoring and organizing financial seminars for small businesses; and
- Serving on the board of an organization that provides college tuition assistance for students with financial needs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, performance under the service test in the Northern Non-MSA Counties AA is not inconsistent with overall High Satisfactory performance under the service test in West Virginia. Refer to Table 15 in the state of West Virginia section of Appendix D for the facts and data used to support this conclusion.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes community development loans): 1/1/02 to 12/31/02 Investment and Service Tests and community development loans: 8/7/01 to 8/27/04	
Financial Institution		Products Reviewed
First Community Bank, N.A. Bluefield, Virginia		Residential mortgage loans Small loans to businesses and farms
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not applicable		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
<u>North Carolina</u> Non-MSA Counties	Full-scope	Alleghany, Surry and Wilkes Counties
Alexander County	Limited-scope	Part of the Hickory-Morganton-Lenoir, NC MSA #3290
Forsyth and Yadkin Counties	Limited-scope	Part of the Greensboro-Winston Salem-High Point, NC MSA #3120
<u>Virginia</u> Southwestern Non-MSA Counties	Full-scope	Counties of Alleghany, Dickenson, Tazewell, Wise, and Wythe; City of Norton; City of Clifton Forge
Other Non-MSA Counties	Limited-scope	Counties of Charlotte and Greenville; City of Emporia
Richmond Area	Limited-scope	Chesterfield and Henrico Counties; City of Richmond (Part of the Richmond-Petersburg, VA MSA #6760)
<u>West Virginia</u> Southern Non-MSA Counties	Full-scope	Counties of Logan, Mercer, Monroe, Raleigh, Summers, and Wyoming
Northern Non-MSA Counties	Limited-scope	Counties of Nicholas, Preston, Taylor, Upshur, and Webster

Appendix B: Summary of Multi-state Metropolitan Area or State Ratings

First Community Bank, N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First Community Bank, N.A.	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Multi-state Metropolitan Area or State:				
North Carolina	Outstanding	Needs to Improve	Low Satisfactory	Satisfactory
Virginia	High Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
West Virginia	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

State of North Carolina C-Error! Bookmark not defined.
State of Virginia C-Error! Bookmark not defined.
State of West Virginia C-Error! Bookmark not defined.

State of North Carolina

Non-MSA Counties

Demographic Information for Full-Scope Area: Non-MSA Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	0.00	7.41	92.59	0.00	0.00
Population by Geography	130,687	0.00	4.30	95.70	0.00	0.00
Owner-Occupied Housing by Geography	39,965	0.00	4.07	95.93	0.00	0.00
Business by Geography	7,451	0.00	10.63	89.37	0.00	0.00
Farms by Geography	523	0.00	6.69	93.31	0.00	0.00
Family Distribution by Income Level	38,700	19.49	19.06	24.64	36.81	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	14,917	0.00	5.99	94.01	0.00	0.00
Median Family Income	27,206	Median Housing Value		53,879		
HUD Adjusted Median Family Income for 2002	43,700	Unemployment Rate		2.74%		
Households Below Poverty Level	17.93%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2002 HUD updated MFI.

This AA in the northwestern region of North Carolina near the Virginia border includes Alleghany, Surry and Wilkes Counties. The overall population for this largely rural AA grew from 130,687 as of the 1990 U.S. Census to 147,528 as of the 2000 U.S. Census.

FCB provides a full range of loan and deposit products to the AA throughout its three full-service branches and two ATMs. Competition is strong with sixteen financial institutions operating 53 branches in the AA. In terms of deposits, FCB has a number ten market rank and a 2.4% market share as of June 30, 2003. The top ranked deposit-taking financial institutions in the AA are Wachovia Bank, N.A. with a 22.5% market share and Branch Banking and Trust Company with a 19.7% market share.

Economic conditions in this AA have been adversely impacted over time by a decline in higher paying jobs in the manufacturing employment sector. This area has come to rely more heavily on jobs in retail, service, government, health care and education. The unemployment rate for this AA was 7.3% in 2001 and 9.0% in 2002 and has been significantly higher than the overall unemployment rate for the state of North Carolina during the evaluation period.

Community development needs and opportunities for participation and leadership by financial institutions were identified from community contacts performed by bank regulatory agencies and review of related websites. Contacts indicated that primary needs are for general business development including retaining and attracting employers. Specific needs are for SBA/USDA guaranteed lending and small business counseling. Opportunities for participation by financial institutions include lending to small businesses and farms, donations and financial literacy/counseling. There are few

community development organizations operating in this largely rural AA. Most social and human services are provided by local, state, and federal government entities.

State of Virginia

Southwestern Non-MSA Counties

Demographic Information for Full-Scope Area: Southwestern Non-MSA Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	52	0.00	32.69	32.69	3.85	30.77
Population by Geography	150,721	0.00	45.98	47.23	6.80	0.00
Owner-Occupied Housing by Geography	43,544	0.00	46.05	47.05	6.90	0.00
Business by Geography	7,170	0.00	40.84	53.40	5.76	0.00
Farms by Geography	235	0.00	22.13	71.06	6.81	0.00
Family Distribution by Income Level	43,652	27.41	20.56	20.46	31.57	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	20,939	0.00	53.05	42.67	4.28	0.00
Median Family Income		28,301	Median Housing Value		57,266	
HUD Adjusted Median Family Income for 2002		43,000	Unemployment Rate		2.63%	
Households Below Poverty Level		16.45%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2002 HUD updated MFI.

This AA in the southwestern region of Virginia consists of Alleghany, Dickenson, Tazewell, Wise and Wythe Counties. This is a broad geographical area characterized by mountainous terrain. The overall population for the AA declined slightly from 150,721 as of the 1990 U.S. Census to 149,834 as of the 2000 U.S. Census.

FCB provides a full range of loan and deposit products to the AA throughout its eight full-service branches and five ATMs. Competition is strong with 22 financial institutions operating 82 branches in the AA. In terms of deposits, FCB has a number four market rank and a 7.9% market share as of June 30, 2003. Primary deposit taking competitors include First Virginia Bank – Southwest with a 14.2% market share, Bank of Tazewell County with a 12.3% market share, and Wachovia Bank, N.A. with an 11.0% market share.

Economic conditions for most of the counties in this AA have been adversely impacted over time by a decline in higher paying jobs in the mining and manufacturing employment sectors. This AA has come to rely more heavily on jobs in retail, service, government, health care and education. The overall unemployment rate for this AA was 8.3% in 2001 and 7.4% in 2002 and has been significantly higher than the overall unemployment rate for the state of Virginia during the evaluation period.

Dickenson County shows more signs of economic distress than the other counties in the AA. Retail trade is the dominant employment sector with an average annual wage of \$16,804. The county has experienced a significant decline in population. The poverty rate is high at 21%, and the percentage of the population with at least a high school diploma is low at 58%.

Alleghany County represents the other end of the spectrum where manufacturing is the dominant employment sector with an average annual wage of \$31,777. This county has experienced significant population growth, has a relatively low poverty rate, and has a high percentage of its population who have at least a high school diploma.

Community development needs and opportunities for participation and leadership by financial institutions were identified from community contacts performed by bank regulatory agencies and review of related websites. Contacts indicated that primary needs are attracting and retaining employers, small business development, increasing the supply of affordable housing and mitigating the barriers to home ownership for low- and moderate-income individuals. Opportunities for participation by financial institutions include lending to small businesses and farms, donations to organizations with a community development purpose, small business counseling and financial literacy. There are few community development organizations operating in this largely rural AA. Most social and human services are provided by local, state, and federal government entities.

State of West Virginia

Southern Non-MSA Counties

Demographic Information for Full-Scope Area: Southern Non-MSA Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	51	0.00	5.88	82.35	11.76	0.00
Population by Geography	240,431	0.00	3.10	86.41	10.49	0.00
Owner-Occupied Housing by Geography	69,372	0.00	3.00	86.21	10.80	0.00
Business by Geography	11,419	0.00	6.73	77.83	15.45	0.00
Farms by Geography	318	0.00	3.77	88.68	7.55	0.00
Family Distribution by Income Level	68,356	22.15	17.38	18.76	41.72	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	27,020	0.00	3.90	89.09	7.01	0.00
Median Family Income		22,654	Median Housing Value		42,702	
HUD Adjusted Median Family Income for 2002		32,400	Unemployment Rate		4.46%	
Households Below Poverty Level		22.65%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2002 HUD updated MFI.

This AA, in the southern region of West Virginia, consists of Logan, Mercer, Monroe, Raleigh, Summers and Wyoming Counties. This is a broad geographical area characterized by mountainous terrain. Raleigh County, which includes Beckley (the largest city in the AA), is the most populous county in the AA. While the population of Raleigh County increased 3% from 76,819 as of the 1990 U.S. Census, the overall population for the AA decreased by the same percentage to 233,200.

FCB provides a full range of loan and deposit products to the AA throughout its fifteen full-service branches and 19 ATMs. Competition is strong with sixteen financial institutions operating 71 branches in the AA. In terms of deposits, FCB has a number one market rank and a 21.6% market share as of June 30, 2003. Primary deposit taking competitors include Bank One West Virginia, N.A. with a 19.1% market share, Branch Banking and Trust Company with a 12.5% market share, and City National Bank of West Virginia with an 11.5% market share.

Economic conditions in this AA have been adversely impacted over time by a decline in higher paying jobs in the mining and manufacturing employment sectors. This area has come to rely more heavily on jobs in retail, service, government, health care, and education. The unemployment rate for this AA was 4.9% in 2001 and 6.2% in 2002 and has been generally consistent with the overall unemployment rate for the State of West Virginia.

Community development needs and opportunities for participation and leadership by financial institutions were identified from community contacts performed by bank regulatory agencies and review of related websites. Contacts indicated that primary

needs are attracting and retaining employers, small business development, increasing the supply of affordable housing and mitigating the barriers to home ownership for low- and moderate-income individuals. Opportunities for participation by financial institutions include lending to small businesses and farms, donations to organizations with a community development purpose, small business counseling and financial literacy. There are few community development organizations operating in this largely rural AA. Most social and human services are provided by local, state, and federal government entities.

Appendix D: Tables of Performance Data

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CONTENT OF STANDARDIZED TABLES..... D-2

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STATE OF NORTH CAROLINA D-5

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Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table 1. Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.

Table 1. Other Products - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

Table 2. Geographic Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 3. Geographic Distribution of Home Improvement Loans - See Table 2.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.

Table 5. Geographic Distribution of Multi-family Loans - Compares the percentage distribution of the number of multi-family loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies to the percentage distribution of multi-family housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Tables of Performance Data

State of North Carolina

Table 1. Lending Volume

LENDING VOLUME		Geography: NORTH CAROLINA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Non-MSA Counties	61.63	269	14,995	340	17,441	186	6,825	0	0	795	39,261	53.22
Limited Review:												
Alexander County	38.37	168	6,759	219	8,576	108	4,386	0	0	495	19,721	46.78

** The evaluation period for Community Development Loans is from August 07, 2001 to August 27, 2004.

*** Deposit Data as of June 30, 2003. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: NORTH CAROLINA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Non-MSA Counties	75	63.03	0.00	0.00	4.07	20.00	95.93	80.00	0.00	0.00	2.25	0.00	8.79	1.77	0.00	
Limited Review:																
Alexander County	44	36.97	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.75	0.00	0.00	4.75	0.00	

* Based on 2002 Peer Mortgage Data -- East

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: NORTH CAROLINATATE								Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Non-MSA Counties	46	51.11	0.00	0.00	4.07	15.22	95.93	84.78	0.00	0.00	14.12	0.00	55.56	11.80	0.00
Limited Review:															
Alexander County	44	48.89	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	34.25	0.00	0.00	34.25	0.00

* Based on 2002 Peer Mortgage Data -- East

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NORTH CAROLINA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Non-MSA Counties	145	64.73	0.00	0.00	4.07	26.90	95.93	73.10	0.00	0.00	1.85	0.00	8.29	1.45	0.00	
Limited Review:																
Alexander County	79	35.27	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	3.88	0.00	0.00	3.88	0.00	

* Based on 2002 Peer Mortgage Data -- East

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTI-FAMILY		Geography: NORTH CAROLINA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multi-family Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Non-MSA Counties	3	75.00	0.00	0.00	10.41	0.00	89.59	100.00	0.00	0.00	22.22	0.00	0.00	22.22	0.00	
Limited Review:																
Alexander County	1	25.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	50.00	0.00	0.00	50.00	0.00	

* Based on 2002 Peer Mortgage Data -- East

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: NORTH CAROLINA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans						
Full Review:																
Non-MSA Counties	340	60.82	0.00	0.00	10.63	21.18	89.37	78.82	0.00	0.00	4.34	0.00	8.19	4.34	0.00	
Limited Review:																
Alexander County	219	39.18	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	13.83	0.00	0.00	14.57	0.00	

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: NORTH CAROLINA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Non-MSA Counties	186	63.27	0.00	0.00	6.69	12.90	93.31	87.10	0.00	0.00	43.63	0.00	92.31	40.53	0.00
Limited Review:															
Alexander County	108	36.73	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	80.33	0.00	0.00	80.33	0.00

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: NORTH CAROLINA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) By Borrower Income*						
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:																	
Non-MSA Counties	75	63.03	19.49	4.29	19.06	18.57	24.64	30.00	36.81	47.14	2.33	0.96	2.32	2.45	2.54		
Limited Review:																	
Alexander County	44	36.97	18.55	19.05	18.86	33.33	26.10	14.29	36.50	33.33	4.93	5.08	4.83	4.10	6.00		

* Based on 2002 Peer Mortgage Data -- East

** As a percentage of loans with borrower income information available. No information was available for 5.9% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: NORTH CAROLINA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) By Borrower Income*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Non-MSA Counties	46	51.11	19.49	25.00	19.06	31.82	24.64	13.64	36.81	29.55	14.94	21.74	24.32	7.89	10.71
Limited Review:															
Alexander County	44	48.89	18.55	25.00	18.86	9.09	26.10	34.09	36.50	31.82	36.23	54.55	23.08	41.38	25.00

** As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: NORTH CAROLINA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) By Borrower Income*						
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:																	
Non-MSA Counties	145	64.73	19.49	13.97	19.06	18.38	24.64	33.82	36.81	33.82	2.11	3.23	1.55	3.10	1.54		
Limited Review:																	
Alexander County	79	35.27	18.55	16.67	18.86	33.33	26.10	29.49	36.50	20.51	4.41	8.60	7.56	4.10	1.46		

** As a percentage of loans with borrower income information available. No information was available for 4.5% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NORTH CAROLINA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Non-MSA Counties	340	60.82	81.26	80.29	89.41	7.65	2.94	4.34	11.98
Limited Review:									
Alexander County	219	39.18	81.78	86.30	88.58	10.50	0.91	13.83	26.75

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 9.84% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NORTH CAROLINA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Non-MSA Counties	186	63.27	94.07	82.26	91.40	6.99	1.61	43.63	41.08
Limited Review:									
Alexander County	108	36.73	96.26	92.59	87.96	9.26	2.78	80.33	82.46

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 8.84% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: NORTH CAROLINA									
Evaluation Period: AUGUST 7, 2001 TO AUGUST 27, 2004									
MA/Assessment Area:	*Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Non-MSA Counties	0	0	5	13.6	5	13.6	84.47	0	0
Limited Review:									
Alexander County	0	0	0	0	0	0	0.00	0	0
Forsyth and Yadkin Counties	0	0	1	2.5	1	2.5	15.53	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: NORTH CAROLINA																	
Evaluation Period: AUGUST 7, 2001 TO AUGUST 27, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Non-MSA Counties	45.21	3	37.50	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	4.30	95.70	0.00
Limited Review:																	
Alexander County	39.74	2	25.00	0.00	0.00	100.00	0.00	1	1	0	0	0	0	0.00	0.00	100.00	0.00
Forsyth and Yadkin Counties	15.06	3	37.50	0.00	0.00	100.00	0.00	3	0	0	0	3	0	4.31	11.01	55.13	29.55

State of Virginia

Table 1. Lending Volume

LENDING VOLUME												
Geography: VIRGINIA												
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Southwestern Non-MSA Counties	88.52	613	31,317	272	16,670	56	2,056	0	0	941	50,043	69.83
Limited Review:												
Other Non-MSA Counties	11.48	56	1,882	54	2,184	12	1,665	0	0	122	5,731	30.17

* Loan Data as of December 31, 2002. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from August 07, 2001 to August 27, 2004.

*** Deposit Data as of June 30, 2004. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
Southwestern Non-MSA Counties	223	94.89	0.00	0.00	46.05	39.01	47.05	60.54	6.90	0.45	11.40	0.00	12.83	12.30	0.94
Limited Review:															
Other Non-MSA Counties	12	5.11	0.00	0.00	16.17	0.00	83.70	100.00	0.12	0.00	4.86	0.00	0.00	5.74	0.00

* Based on 2002 Peer Mortgage Data -- East

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Southwestern Non-MSA Counties	123	85.42	0.00	0.00	46.05	47.97	47.05	51.22	6.90	0.81	13.10	0.00	15.82	12.06	4.17	
Limited Review:																
Other Non-MSA Counties	21	14.58	0.00	0.00	16.17	19.05	83.70	80.95	0.12	0.00	33.87	0.00	44.44	32.08	0.00	

* Based on 2002 Peer Mortgage Data -- East

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Southwestern Non-MSA Counties	264	91.99	0.00	0.00	46.05	36.74	47.05	62.50	6.90	0.76	6.37	0.00	6.56	7.16	0.90
Limited Review:															
Other Non-MSA Counties	23	8.01	0.00	0.00	16.17	4.35	83.70	95.65	0.12	0.00	4.41	0.00	1.75	4.75	0.00

* Based on 2002 Peer Mortgage Data -- East

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTI-FAMILY		Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multi-family Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Southwestern Non-MSA Counties	3	100.00	0.00	0.00	38.87	33.33	53.35	66.67	7.77	0.00	33.33	0.00	33.33	33.33	0.00	
Limited Review:																
Other Non-MSA Counties	0	0.00	0.00	0.00	23.67	0.00	76.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2002 Peer Mortgage Data -- East

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi-family units in a particular geography divided by the number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: VIRGINIA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Southwestern Non-MSA Counties	272	83.44	0.00	0.00	40.84	30.51	53.40	68.75	5.76	0.74	4.79	0.00	5.48	6.25	1.27
Limited Review:															
Other Non-MSA Counties	54	16.56	0.00	0.00	18.82	9.26	81.12	90.74	0.06	0.00	7.79	0.00	5.00	9.65	0.00

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
Full Review:																
Southwestern Non-MSA Counties	56	82.35	0.00	0.00	22.13	62.50	71.06	37.50	6.81	0.00	24.00	0.00	52.50	10.84	0.00	
Limited Review:																
Other Non-MSA Counties	12	17.65	0.00	0.00	6.47	0.00	93.53	100.00	0.00	0.00	17.14	0.00	0.00	17.14	0.00	

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: VIRGINIA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002											
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) By Borrower Income*						
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:																	
Southwestern Non-MSA Counties	223	94.89	27.41	12.56	20.56	25.58	20.46	22.79	31.57	39.07	11.84	19.32	13.82	8.12	11.84		
Limited Review:																	
Other Non-MSA Counties	12	5.11	24.99	33.33	19.59	22.22	24.51	0.00	30.91	44.44	4.41	13.04	2.94	0.00	5.33		

* Based on 2002 Peer Mortgage Data -- East

** As a percentage of loans with borrower income information available. No information was available for 4.7% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) By Borrower Income*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Southwestern Non-MSA Counties	123	85.42	27.41	10.66	20.56	24.59	20.46	33.61	31.57	31.15	13.85	9.52	13.40	17.65	13.49
Limited Review:															
Other Non-MSA Counties	21	14.58	24.99	19.05	19.59	38.10	24.51	19.05	30.91	23.81	36.84	50.00	47.06	33.33	25.00

** As a percentage of loans with borrower income information available. No information was available for 0.7% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) By Borrower Income*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Southwestern Non-MSA Counties	264	91.99	27.41	8.50	20.56	17.00	20.46	30.77	31.57	43.72	6.34	6.54	6.37	6.74	6.04	
Limited Review:																
Other Non-MSA Counties	23	8.01	24.99	9.09	19.59	36.36	24.51	9.09	30.91	45.45	5.23	6.06	7.77	1.55	6.41	

** As a percentage of loans with borrower income information available. No information was available for 6.3% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: VIRGINIA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****%	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Southwestern Non-MSA Counties	272	83.44	73.40	58.46	85.29	10.66	4.04	4.79	9.33
Limited Review:									
Other Non-MSA Counties	54	16.56	79.58	70.37	98.15	0.00	1.85	7.79	14.73

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 23.01% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: VIRGINIA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Southwestern Non-MSA Counties	56	82.35	96.17	37.50	94.64	1.79	3.57	24.00	14.29
Limited Review:									
Other Non-MSA Counties	12	17.65	93.53	75.00	66.67	0.00	33.33	17.14	14.75

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 48.53% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: VIRGINIA									
Evaluation Period: AUGUST 7, 2001 TO AUGUST 27, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Southwestern Non-MSA Counties	0	0	10	43.6	10	43.6	95.61	0	0
Limited Review:									
Other Non-MSA Counties	0	0	2	1.2	2	1.2	2.63	0	0
Richmond Area	0	0	3	0.8	3	0.8	1.76	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: VIRGINIA				Evaluation Period: AUGUST 7, 2001 TO AUGUST 27, 2004									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Southwestern Non-MSA Counties	46.48	8	53.33	0.00	37.50	50.00	12.50	2	0	0	1	1	0	0.00	45.98	47.23	6.80
Limited Review:																	
Other Non-MSA Counties	20.08	3	20.00	0.00	66.67	0.00	33.33	3	0	0	2	0	1	0.00	17.88	81.95	0.17
Richmond Area	33.44	4	26.67	25.00	0.00	0.00	75.00	4	0	1	0	0	3	7.04	20.05	42.23	30.50

State of West Virginia

Table 1. Lending Volume

LENDING VOLUME		Geography: WEST VIRGINIA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Southern Non-MSA Counties	55.59	2,213	93,186	1,121	81,324	29	1,628	0	0	3,363	176,138	73.29
Limited Review:												
Northern Non-MSA Counties	44.41	1,951	53,734	612	26,107	124	4,365	0	0	2,687	84,206	26.71

* Loan Data as of December 31, 2002. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from August 07, 2001 to August 27, 2004.

*** Deposit Data as of June 30, 2004. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: WEST VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Southern Non-MSA Counties	620	59.22	0.00	0.00	3.00	2.42	86.21	84.68	10.80	12.90	18.21	0.00	17.14	19.50	11.81	
Limited Review:																
Northern Non-MSA Counties	427	40.78	0.00	0.00	11.55	12.18	81.74	83.14	6.71	4.68	23.18	0.00	23.08	24.40	13.41	

* Based on 2002 Peer Mortgage Data -- East

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: WEST VIRGINIA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Southern Non-MSA Counties	598	44.79	0.00	0.00	3.00	5.85	86.21	82.94	10.80	11.20	38.64	0.00	51.61	38.94	33.03
Limited Review:															
Northern Non-MSA Counties	737	55.21	0.00	0.00	11.55	14.38	81.74	82.36	6.71	3.26	52.59	0.00	56.58	54.37	21.05

* Based on 2002 Peer Mortgage Data -- East

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: WEST VIRGINIA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Southern Non-MSA Counties	985	55.59	0.00	0.00	3.00	2.84	86.21	81.93	10.80	15.23	15.07	0.00	18.75	14.89	15.58
Limited Review:															
Northern Non-MSA Counties	787	44.41	0.00	0.00	11.55	9.15	81.74	85.26	6.71	5.59	21.80	0.00	31.36	22.48	9.77

* Based on 2002 Peer Mortgage Data -- East

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTI-FAMILY		Geography: WEST VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multi-family Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Southern Non-MSA Counties	10	100.00	0.00	0.00	4.44	0.00	71.81	70.00	23.75	30.00	60.00	0.00	0.00	60.00	100.00	
Limited Review:																
Northern Non-MSA Counties	0	0.00	0.00	0.00	6.25	0.00	91.09	0.00	2.66	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2002 Peer Mortgage Data -- East

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: WEST VIRGINIA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Southern Non-MSA Counties	1,121	64.69	0.00	0.00	6.73	3.57	77.83	77.25	15.45	19.18	14.64	0.00	13.38	19.17	15.10
Limited Review:															
Northern Non-MSA Counties	612	35.31	0.00	0.00	8.68	15.52	84.97	81.37	6.35	3.10	13.61	0.00	19.59	17.45	8.16

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: WEST VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
Full Review:																
Southern Non-MSA Counties	29	18.95	0.00	0.00	3.77	10.34	88.68	89.66	7.55	0.00	34.85	0.00	100.00	32.81	0.00	
Limited Review:																
Northern Non-MSA Counties	124	81.05	0.00	0.00	1.05	8.87	81.15	88.71	17.80	2.42	75.58	0.00	100.00	75.32	50.00	

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: WEST VIRGINIA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income*						
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:																	
Southern Non-MSA Counties	620	59.22	22.15	8.14	17.38	16.11	18.76	23.26	41.72	52.49	18.97	33.75	23.23	19.08	16.92		
Limited Review:																	
Northern Non-MSA Counties	427	40.78	23.70	9.57	17.79	20.33	20.42	30.62	38.10	39.47	23.82	31.48	35.65	25.98	18.38		

* Based on 2002 Peer Mortgage Data -- East

** As a percentage of loans with borrower income information available. No information was available for 2.6% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: WEST VIRGINIA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) By Borrower Income*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Southern Non-MSA Counties	598	44.79	22.15	9.95	17.38	16.30	18.76	25.39	41.72	48.37	38.39	50.00	45.28	43.16	33.69	
Limited Review:																
Northern Non-MSA Counties	737	55.21	23.70	14.23	17.79	22.71	20.42	24.90	38.10	38.17	52.78	63.93	50.00	54.25	50.75	

** As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: WEST VIRGINIA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) By Borrower Income*						
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:																	
Southern Non-MSA Counties	985	55.59	22.15	4.99	17.38	11.16	18.76	22.10	41.72	61.74	15.58	25.83	19.01	16.20	14.30		
Limited Review:																	
Northern Non-MSA Counties	787	44.41	23.70	6.26	17.79	13.04	20.42	26.21	38.10	54.50	22.68	38.60	23.98	26.06	20.20		

** As a percentage of loans with borrower income information available. No information was available for 3.6% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: WEST VIRGINIA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Southern Non-MSA Counties	1,121	64.69	73.82	71.54	82.43	11.06	6.51	14.64	31.32
Limited Review:									
Northern Non-MSA Counties	612	35.31	73.10	81.37	90.85	7.03	2.12	13.61	28.86

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 8.94% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: WEST VIRGINIA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Southern Non-MSA Counties	29	18.95	94.65	86.21	79.31	20.69	0.00	34.85	33.93
Limited Review:									
Northern Non-MSA Counties	124	81.05	96.34	50.81	93.55	6.45	0.00	75.58	66.67

* Based on 2002 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 40.52% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: WEST VIRGINIA									
Evaluation Period: AUGUST 7, 2001 TO AUGUST 27, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Southern Non-MSA Counties	6	1,687.1	20	145.7	26	1,832.8	98.56	0	0
Limited Review:									
Northern Non-MSA Counties	1	23.4	10	3.4	11	26.8	1.44	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: WEST VIRGINIA																	
Evaluation Period: AUGUST 7, 2001 TO AUGUST 27, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Southern Non-MSA Counties	73.29	15	62.50	0.00	0.00	86.67	13.33	4	2	0	0	2	0	0.00	3.10	86.41	10.49
Limited Review:																	
Northern Non-MSA Counties	26.71	9	37.50	0.00	33.33	66.67	0.00	0	0	0	0	0	0	0.00	11.62	82.22	6.16