



## Intermediate Small Bank

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

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### **PUBLIC DISCLOSURE**

May 9, 2006

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First Century Bank, N.A.  
Charter Number 4643**

**500 Federal Street  
Bluefield, WV 24701**

**Comptroller of the Currency  
Virginia Field Office  
3800 Electric Road  
Suite 204  
Roanoke, VA 24018**

**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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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# INSTITUTION'S CRA RATING

**This institution is rated SATISFACTORY.**

The Lending Test is rated: **SATISFACTORY**

The Community Development Test is rated: **SATISFACTORY**

The major facts that support this rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, assessment area (AA) credit needs, and relevant competitive factors.
- The bank made a majority of its loans within its AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low- and moderate-income.)
- A majority of small loans to businesses were for amounts less than \$100,000.
- A majority of small loans to farms were for amounts less than \$100,000.
- The geographic distribution of loans reflects reasonable dispersion throughout the West Virginia AA.

## Scope of Examination

This Performance Evaluation assesses the bank's performance under the Lending and Community Development Tests. The evaluation under the Lending Test covers the bank's performance from January 1, 2004 through December 31, 2005, excluding community development loans. We sampled small loans to businesses and farms, and reviewed home purchase, home improvement, and refinance loans for that period. The evaluation period for community development loans, investments, and services is December 2, 2002 through May 9, 2006.

The analysis is based on the bank's performance in each state where they do business using comparative demographic data from the 2000 U. S. Census. These conclusions were factored into the final ratings and the bank's overall performance.

## Description of Institution

First Century Bank, N.A. (FCB) is an interstate bank headquartered in Bluefield, West Virginia with operations in West Virginia and Virginia. None of the bank's facilities are located in a Metropolitan Statistical Area (MSA). The bank is wholly owned by First Century Bankshares Corporation (FCBS). FCBS is a \$393 million bank holding company listed on the OTC Bulletin Board under the symbol "FCBS". The holding company is also headquartered in Bluefield, West Virginia.

The bank is a full service community bank serving the AAs of the counties of Mercer, Summers, and Wyoming in West Virginia (WV), and Tazewell and Wythe in Virginia (VA). The bank operates 11 full service offices and 17 automated teller machines in these areas. A branch office was opened in Beckley, WV (Raleigh County), subsequent to our evaluation period and is not included in the evaluation.

Established in 1891, FCB's total assets were \$393 million, as of March 31, 2006. Business lending, including commercial real estate, is a major product, followed by residential real estate and consumer loans. At March 31, 2006, net loans were \$260 million, which equaled 66% of total assets. Net loans were distributed as follows: 55% commercial and industrial loans, including commercial real estate; 31% secured by residential real estate; 8% to individuals; 4% construction and development loans; and 2% to others. Tier 1 Capital was \$31 million. Tier 1 Risk-based Capital to Risk-weighted Assets equaled 11.2%. Tier 1 Leverage Capital equaled 8.1%.

The bank has one financial services subsidiary. First Century Financial Services is an insurance agency wholly owned by the bank. The activities of the subsidiary are not included in this evaluation.

During the evaluation period, there were no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its AA. The bank received a "Satisfactory" rating in its December 2002 CRA Performance evaluation.

## **Conclusions About Performance Tests**

FCB's performance is rated Satisfactory. Based on full-scope reviews in WV and VA, FCB's performance is reasonable.

FCB's overall rating is a blend of the WV and VA state ratings. The WV rating was given the most weight because a majority of FCB's outstanding loans, and deposits and loans originated during the evaluation period are located there.

We took into consideration FCB's business strategy and types of credit offered. The bank offers basic community bank credit products, and the real estate mortgage (REM) portfolio includes loans for home purchase and home improvement. Competition is keen in the bank's market area and there are natural, physical impediments that limit growth and expansion. These are more fully explained under the state ratings.

## **Lending Test**

### **Loan-to-Deposit Ratio**

FCB's average LTD ratio is reasonable compared to similarly situated financial institutions. The bank's quarterly average LTD ratio, since the last CRA examination, is 76%. This ratio is slightly below those of peer banks at 83%.

## Lending in Assessment Areas

A majority of loans and other lending related activities were inside the bank's AAs. For the evaluation period, a blended average 80% of loans were made inside the bank's AAs. By loan type, 85.5% of home mortgage loans, and 75% of business and farm loans were made inside the bank's AAs.

Loan Type	Number of Loans				Total	Dollars of Loans (000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Loans to farms & businesses	60	85.7	10	14.3	70	7,086	89.9	799	10.1	7,885
Real Estate Loans	73	88.0	10	12.0	83	2,336	73.1	859	26.9	3,195
<b>Totals</b>	<b>133</b>	<b>86.9</b>	<b>20</b>	<b>13.1</b>	<b>153</b>	<b>9,422</b>	<b>85.0</b>	<b>1,658</b>	<b>15.0</b>	<b>11,080</b>

## Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The distribution of real estate loans and small loans to businesses was reasonable. A majority of loans to businesses were for amounts less than \$100,000. Refer to the State Rating sections for VA and WV for related facts and data.

## Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the WV AA. There are no apparent gaps or areas of low penetration in the AA. An analysis for the VA AA was not considered meaningful due to the disbursement of housing. The area consists of two moderate-income census tracts and thirteen middle-income census tracts.

## Responses to Complaints

There were no complaints regarding the bank's CRA performance during the evaluation period.

## Community Development Test

The bank's community development performance demonstrates adequate responsiveness to community development needs in its AAs. This took in consideration the bank's capacity and the need and availability of such opportunities for community development in each AA. The performance is primarily through community development loans and community development services. There were no qualified investments.

### **Number and amount of community development loans**

The bank made 32 community development loans totaling \$4,671,000 throughout its AAs during the evaluation period. Proceeds were used to finance affordable housing and support business development, among others. See the separate comments under the individual states.

### **Number and amount of qualified investments**

The bank made no qualified investments. Bank management maintains the bank has actively looked for opportunities to invest in their AAs but found no appropriate investment vehicles. Qualified contributions totaled \$2,000 during the evaluation period.

### **Extent to which the bank provides community development services**

The bank offers free checking and loans with no mandatory minimum balance. These loans provide funding for those normally thought to in the low-moderate income groups. Branches are located in rural communities. During the evaluation period, officers and employees provided technical services and support to qualified community development organizations.

### **Bank's responsiveness through such activities to community development lending, investment, and services needs**

The bank is responsive to community credit needs within the context of the products and services offered. Bank officers have made a strong effort to identify community development loan opportunities.

### **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

# West Virginia State Rating

**The CRA rating for West Virginia: SATISFACTORY**

**The lending test is rated: SATISFACTORY**

**The community development test is rated: SATISFACTORY**

The major factors that support this rating include:

- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and among businesses of different sizes.
- A majority of loans to businesses are for amounts less than \$100,000.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.

## Description of Bank's Operations in West Virginia

FCB operates eight branches in three West Virginia counties; Mercer, Summers, and Wyoming. These three counties are contiguous and make up the southern West Virginia Non-MSA assessment area. The bank operates twelve ATMs in the AA, of which five are remote. As of June 30, 2005, FCB had the second most deposits in the AA at \$276 million, representing over 22% deposit market share. This represents approximately 1.2% of the deposit share for the entire state. There are seven banking institutions in the market, and FCB's primary competitors are First Community Bank, NA and Branch Banking & Trust Company.

The bank has only one AA in WV and it received a full-scope review. Approximately 85% of FCB's total deposits are located in this AA. Approximately 66% of the business loans and 82% of the residential real estate loans originated by FCB since the last evaluation were originated in this AA. Farming is not a significant industry, and we did not include it in our analysis.

## Conclusions About Performance Criteria

FCB's performance in WV is rated Satisfactory. Based on the full-scope review, FCB's performance in the WV AA is reasonable.

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered FCB's business strategy, the number of loans to businesses, and number of real estate loans originated during the evaluation period. Overall, residential real estate loans are considered a primary product in the WV AA. Small loans to businesses are considered a secondary product in the AA.

In evaluating performance under the Community Development Test, we considered the bank's capacity to lend and invest in its communities, the availability of investment and community development lending opportunities, and the bank's responsiveness in providing services to the communities in which it does business.

## Lending Test

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels and businesses of different sizes. The distribution of Real Estate Loans is reasonable. The bank made 4% of REM loans to low-income, and 25% to moderate-income borrowers compared to the proportion of low- and moderate-income families in the AA, 23% and 18% respectively. The distribution of loans to businesses that are small (those with less than \$1 million in gross annual revenues), is reasonable. All loans to businesses were to small businesses. Farms were not considered due to the small volume of farms in the AA.

Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home purchase	22.65	4.56	17.89	27.27	20.95	22.73	38.30	45.45
Home improvement	22.65	5.55	17.89	16.67	20.95	22.78	38.30	50.00
Home refinance	22.65	0	17.89	29.41	20.95	29.41	38.30	41.18
<b>Total REM</b>	<b>22.65</b>	<b>3.51</b>	<b>17.89</b>	<b>24.56</b>	<b>20.95</b>	<b>26.32</b>	<b>38.30</b>	<b>45.61</b>

Business Revenues	≤\$1,000,000	>\$1,000,000	Unknown	Total
% of AA Businesses	58.7	4.3	37.0	100.0
% of Bank Loans in AA by #	100.0	0	0	100.0
% of Bank Loans in AA by \$	100.0	0	0	100.0

A majority of the loans to businesses were for amounts less than \$100,000.

Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	18	75.0	977	19.6
\$100,001 - \$250,000	2	8.3	297	8.5
\$250,001 - \$1,000,000	4	16.7	2,500	71.9

## Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the AA. The distribution of REM loans and small business loans is excellent. We identified no apparent gaps or areas of low penetration.

<b>Table 3 - Geographic Distribution of Residential Real Estate Loans in the West Virginia AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home purchase	0	0	12.83	31.82	77.43	63.64	9.74	4.54
Home improvement	0	0	12.83	6.25	77.43	93.75	9.74	0
Home refinance	0	0	12.83	35.29	77.43	52.94	9.74	11.76
<b>Total REM</b>	<b>0</b>	<b>0</b>	<b>12.83</b>	<b>25.00</b>	<b>77.43</b>	<b>69.64</b>	<b>9.74</b>	<b>5.36</b>

<b>Table 3A - Geographic Distribution of Loans to Businesses in the West Virginia AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	0	0	25.24	37.50	62.57	58.33	12.20	4.17

## Community Development Test

The bank's community development performance demonstrates adequate responsiveness to community development needs in its AAs through community development loans, qualified investments and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

### Number and amount of community development loans

The bank made 29 community development loans totaling \$4,543,000 during the evaluation period and committed \$650,000 to fund an additional two loans. Proceeds were used to support a wide array of projects in the bank's AAs and surrounding geographies. These included affordable housing for low- and moderate-income individuals, loans to community services for health care, and promoting economic development targeted to low-moderate income individuals.

**Number and amount of qualified investments**

The bank had no qualifying investments. Contributions totaled approximately \$2,000 during the evaluation period. Investments and contributions went to organizations that provide health and human services for low- and moderate-income individuals and geographies, and to organizations that offer technical support and credit programs to small businesses. The number and volume of bank contributions reflects an interest in supporting community development organizations, but could be improved.

**Extent to which the bank provides community development services**

The bank offers free checking and loans with no mandatory minimum balance. Branches are located in rural areas. During the evaluation period, several officers and employees provided technical services and support to qualified community development organizations.

**Bank's responsiveness through such activities to community development lending, investment, and services needs**

The bank is responsive to community credit needs within the context of the products and services offered and opportunities to lend for community development purposes.

## **Virginia State Rating**

**The overall CRA rating for Virginia: SATISFACTORY**

**The lending test is rated: SATISFACTORY**

**The community development test is rated: SATISFACTORY**

The major factors that support this rating include:

- The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels (including low- and moderate-income.)
- A majority of small business loans were for amounts less than \$100,000.
- A majority of small farm loans were for amounts less than \$100,000.
- The bank's community development performance demonstrates adequate responsiveness to community development needs in its AA.

### **Description of Bank's Operations in Virginia**

FCB operates three branches in the VA AA that is made up of the entirety of Tazewell and Wythe Counties. As of June 30, 2005, FCB had deposits of \$49 million in the AA, which represented 4% deposit market share. This represents approximately .03% of the deposit share for the entire state. The bank operates five ATMs within the AA and two are in remote locations. There are fourteen banking institutions in the market, and FCB's primary competitors are The Bank of Tazewell County and Branch Banking & Trust Company of Virginia.

The bank has only one AA in VA and it received a full-scope review. Approximately 15% of FCB's total deposits are located in this AA. Approximately 32% of the business loans and 17% of the residential real estate loans originated by FCB since the last evaluation were originated in this AA. Farming is a significant industry, and we analyzed all of the farm loans made in the AA. The AA is also affected by the topography of the land, as a good portion is mountainous, especially Tazewell County, and is sparsely populated.

Refer to the market profile for the state of Virginia in the Appendix for detailed demographics and other performance context information on the area that received a full-scope review.

### **Conclusions About Performance Criteria**

FCB's performance in the VA AA is rated Satisfactory. Based on a full-scope review, FCB's performance in the AA is reasonable.

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered FCB's business strategy and the number of loans to businesses sampled, compared to the number of real estate loans originated during the evaluation period. Residential real estate loans and small loans to businesses are considered FCB's primary products. Real

estate loans including purchase, home improvement, and refinancing received more weight in the overall evaluation process.

In evaluating performance under the Community Development Test, we considered the bank’s capacity to lend and invest in its community, the availability of investment and community development lending opportunities, and the bank’s responsiveness in providing services to the communities in which it does business.

## Lending Test

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels and businesses of different sizes. The distribution of real estate loans is excellent. The bank made 6% of REM loans to low-income, and 31% to moderate-income borrowers compared to the proportion of low- and moderate-income families in the AA, 21% and 21% respectively. The distribution of loans to small businesses and farms (those with less than \$1 million in gross annual revenues) is reasonable.

<b>Table 2 - Borrower Distribution of Residential Real Estate Loans in the Virginia AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home purchase	21.46	50.00	20.53	50.00	23.96	0	34.06	0
Home improvement	21.46	0	20.53	20.00	23.96	20.00	34.06	60.00
Home refinance	21.46	0	20.53	33.33	23.96	55.56	34.06	11.11
<b>Total REM</b>	<b>21.46</b>	<b>6.25</b>	<b>20.53</b>	<b>31.25</b>	<b>23.96</b>	<b>37.50</b>	<b>34.06</b>	<b>25.00</b>

<b>Table 2A - Borrower Distribution of Loans to Businesses in the Virginia AA</b>				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unknown	Total
% of AA Businesses	58.4	5.5	36.1	100.0
% of Bank Loans in AA by #	96.0	4.0	0	100.0
% of Bank Loans in AA by \$	92.3	7.7	0	100.0

A majority of the loans to businesses were for amounts less than \$100,000.

Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	18	72.0	824	28.6
\$100,001 - \$250,000	3	12.0	614	21.3
\$250,001 - \$1,000,000	4	16.0	1,442	50.1

Farm Revenues	≤\$1,000,000	>\$1,000,000	Unknown	Total
% of AA Farms	93.2	2.8	4.0	100.0
% of Bank Loans in AA by #	90.9	9.1	0	100.0
% of Bank Loans in AA by \$	65.9	34.1	0	100.0

**A majority of the loans to farms were for amounts less than \$100,000.**

Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	9	81.8	220	30.1
\$100,001 - \$250,000	2	18.2	510	69.9
\$250,001 - \$1,000,000	0	0	0	0
Total	11	100.0	730	100.0

### **Geographic Distribution of Loans**

The geographic distribution of loans was not analyzed for the VA AA. The AA is made-up of 15 census tracts of which only two are classified as moderate-income. 90% of the occupied housing exists in the remaining 13 middle-income tracts.

### **Community Development Test**

The bank's community development performance demonstrates adequate responsiveness to community development needs in its AA through community development loans, qualified investments and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA.

### **Number and amount of community development loans**

The bank made three community development loans totaling \$128,000 during the evaluation period. Proceeds were used to purchase property to be used for rental to low and moderate-income individuals.

**Number and amount of qualified investments**

The bank had no investments nor had contributions to report that qualify under CRA. Management reported that there were no investments available for purchase that would directly affect the AA.

**Extent to which the bank provides community development services**

The bank offers free checking and loans with no mandatory minimum balance. There was no reported participation by bank officers or employees during the evaluation period.

**Bank's responsiveness through such activities to community development lending, investment, and services needs**

The bank is responsive to community credit needs within the context of the products and services offered and opportunities to lend directly for community development purposes. Contributions to community development organizations and organizations that provide community development services could improve.

## Appendix

### Scope of Examination Table

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 nonmetropolitan 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”).

<b>Time Period Reviewed</b>	Lending Test: (January 1, 2004 through December 31, 2005) Community Development Test: (December 2, 2002 through May 9, 2006)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First Century Bank, N.A. (FCB) Bluefield, WV	Loans to businesses and farms, home purchase, home improvement and home refinance loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
State of West Virginia WV Non-MSA	Full-scope	Mercer, Summers, & Wyoming Counties in their entireties
State of Virginia VA Non-MSA	Full-scope	Wythe & Tazewell Counties in their entireties

## State of West Virginia Market Profile

### Mercer – Summers - Wyoming Counties, WV

Demographic Information for Full Scope Area: West Virginia Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	0	19.23	69.23	11.54	0
Population by Geography	101,687	0	13.49	76.07	10.44	0
Owner-Occupied Housing by Geography	49,172	0	12.83	77.43	9.74	0
Business by Geography	4,739	0	25.24	62.57	12.20	0
Farms by Geography	71	0	15.49	73.24	11.27	0
Family Distribution by Income Level	29,642	22.65	17.89	20.95	38.30	0
Distribution of Low and Moderate Income Families throughout AA Geographies	12,018	0	16.70	76.98	6.32	0
Median Family Income		32,500	Median Housing Value		\$50,884	
HUD Adjusted Median Family Income for 2005		39,400	Unemployment Rate		3.88%	
Households Below Poverty Level		21.00%	(2000 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2005 HUD updated MFI.

The WV Non-MSA AA is the bank's primary market and includes the counties of Mercer, Summers, and Wyoming. These counties are contiguous and are located in southern WV. Mercer County, the bank's headquarters location, borders Tazewell County in VA. Retail service businesses employ the largest segment of population with the Boards of Education as single largest employer. Local government employees are the second largest segment.

There are no low-income geographies and five moderate-income geographies in the AA. Twenty-one percent of families in the AA live below poverty. The unemployment rate as of March 2006 in Mercer County was 5.4%, Summers County 7.5%, and Wyoming County 6.2%. The unemployment rate for the state of West Virginia was 5.7%.

FCB operates eight branches and ten ATMs in the assessment area. The bank reported total deposits of \$324 million, as of June 30, 2005. Eighty-five percent of the bank's total deposits were located inside the assessment area. Of all reporting FDIC-insured institutions in the assessment area, FCB was ranked second in market share with 22% of total deposits. First Community Bank, N.A. ranked first with 38% of the total deposit market share. Branch Banking and Trust Company ranked third in the market with over 19% of total deposits. There were seven banking and thrift companies, operating a total of 29 branches in the assessment area, as of June 30, 2005.

There are few opportunities for making qualified investments in this assessment area. There are a small number of community development organizations operating in the counties of Mercer, Summers, and Wyoming but, most social and human services are provided by local, state, and federal government entities.

A community contact within the WV AA indicated that the area financial institutions are meeting the credit needs of the community. He stated that both individuals and small businesses have a perception that community banks are more willing to do business with them than the larger, regional banks. They also felt the community banks are active in community events.

# State of Virginia Market Profile

## Wythe – Tazewell Counties, VA

Demographic Information for Full Scope Area: Virginia, Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	15	0	13.33	86.67	0	0
Population by Geography	72,197	0	10.49	89.51	0	0
Owner-Occupied Housing by Geography	23,033	0	10.03	89.97	0	0
Business by Geography	3,925	0	13.04	86.96	0	0
Farms by Geography	176	0	4.55	95.45	0	0
Family Distribution by Income Level	21,435	21.46	20.53	23.96	34.06	0
Distribution of Low and Moderate Income Families throughout AA Geographies	9,000	0	14.36	85.64	0	0
Median Family Income		38,987	Median Housing Value		\$60,873	
HUD Adjusted Median Family Income for 2005		46,900	Unemployment Rate		3.26%	
Households Below Poverty Level		15.00%	(2000 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2005 HUD updated MFI.

The non-MSA assessment area includes the counties of Tazewell and Wythe located in southwestern VA. Tazewell County borders Mercer County, WV. Tazewell and Wythe are separated by Bland County, which is not included in the bank's AA. Retail service businesses are both the largest employer and the largest industry in the assessment area. A large mountain range inhibits industrial business growth in Tazewell County. Wytheville, the largest city in the AA, supports the intersection of two major interstate highway systems with numerous restaurants, gas stations, and truck stops. Manufacturing and wholesale trade are the second and third largest employer and industry respectively.

There are no low-income geographies and only two moderate-income geographies in the AA. Fifteen percent of families in the AA live below poverty. The unemployment rate in Tazewell County was 3.7%. The unemployment rate in Wythe County was 3.9%. The unemployment rate for the state of Virginia was 3.3%.

The bank's primary business focuses in the AA are lending to businesses and home mortgage loans. Lending to small farms is included in the analysis.

Based on our review of publicly available information, the opportunity for making qualified investments in this assessment area is limited. There are very few community development organizations operating in Tazewell and Wythe Counties. The area is entirely rural, and most social and human services are provided by local, state, and Federal government entities.

A community contact in the VA AA indicated opportunities exist to lend directly to small businesses. He did not indicate any specific type of lending needs.