



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

December 2, 2002

# **Community Reinvestment Act Performance Evaluation**

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

**500 Federal Street  
Bluefield, West Virginia 24701**

**Office of the 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, 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 **Satisfactory**.

The following table indicates the performance level of **First Century Bank, N.A.** with respect to the Lending, Investment, and Service Tests:

| Performance Levels        | First Century Bank, N.A.<br>Performance Tests |                 |              |
|---------------------------|---|-----------------|--------------|
|                           | Lending Test*                                 | Investment Test | Service Test |
| Outstanding               |   |                 |              |
| High Satisfactory         | X   |                 |              |
| Low Satisfactory          |   | X               | 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 Test

- Lending levels reflect good responsiveness to credit needs in its AA.
- A majority of the bank's loan originations were in their AAs.
- The overall distribution of loans by borrower income level in the AA was excellent.

### Investment Test

- The bank has an adequate level of qualified investments.
- The bank showed adequate responsiveness to credit and community development needs.

### Service Test

- The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels in its AA.
- To the extent changes have been made, its opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- The bank's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and low- and moderate-income individuals.

## 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 multifamily 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 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 multifamily (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 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 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.

**Multifamily:** 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 Loan(s) to Business(es):** 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 Loan(s) to Farm(s):** 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 Century Bank, N.A. (FCB) is an interstate bank headquartered in Bluefield, West Virginia with operations in West Virginia and Virginia. The bank is wholly owned by First Century Bankshares Corporation (FCBS). FCBS is a \$371 million bank holding company listed on the NASDAQ national market under the symbol "FCBS." The holding company is also headquartered in Bluefield, West Virginia.

The bank is a full service community bank serving the counties of Mercer, Summers, and Wyoming in West Virginia, and Tazewell and Wythe in Virginia. The bank operates eleven full service offices and fourteen automated teller machines. Two branch offices were opened in Princeton, West Virginia during the evaluation period. Both branches are located in middle-income geographies.

Established in 1891, the bank had total assets of \$371 million as of September 30, 2002. Business lending, including commercial real estate, is a major product, followed by residential real estate and consumer loans. At September 30, 2002, net loans were \$233 million, which equaled 63% of total assets. Net loans were distributed as follows; 53% commercial and industrial loans including commercial real estate, 30% secured by residential real estate, 10% to individuals, 4% construction and development loans, and 3% to others. Tier 1 capital was \$27 million. Tier 1 risk-based capital to risk weighted assets equaled 10.6%. Tier 1 leverage capital equaled 7.4%.

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 and other factors impeding the bank's ability to help meet the credit needs in its AA. The bank received a "Satisfactory" rating in its June 1998 CRA Performance evaluation.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. The evaluation under the Lending Test covers the bank's performance from January 1, 1998 through December 31, 2001, excluding community development loans. We reviewed small loans to businesses and farms and home mortgage loans. Because the bank is not a HMDA reporter, there are no market share comparisons for home mortgage loans. The evaluation period for community development loans, the Investment Test, and the Service Test is June 4, 1998 to December 2, 2002. The bank originated no community development loans during the evaluation period.

### Data Integrity

As part of this CRA evaluation, the bank's publicly filed information on small loans to businesses and farms was tested for accuracy. The test included an evaluation of the bank's processes to ensure that the data was reliable.

We found significant errors in the loan data. As a result, management was required to review and correct the data. During August 2002, we evaluated the bank's corrected data and found it to be reliable. This evaluation is based on accurate data.

Community development investments and services submitted by bank management were verified to ensure that they met the regulatory definition for community development.

### Selection of Areas for Full-Scope Review

The bank has one non-MSA assessment area (AA) in West Virginia and two non-MSA AAs in Virginia. The two Virginia AAs have similar economic and demographic profiles and were combined for this evaluation. The West Virginia Non-MSA AA and the combined Virginia Non-MSA AA received full-scope reviews. Refer to the "Scope" sections under the individual State Ratings for details.

### Ratings

The bank's overall rating is a blend of the West Virginia and Virginia State ratings. The West Virginia rating was given the most weight because the majority of the bank's deposits and loans originated during the evaluation period are located there.

The state ratings are based on those areas that received 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.

## **Fair Lending Review**

An analysis of the most recent years public comments, consumer complaint information and small business and small farm lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year.

## State Rating

|                                      |                          |
|--------------------------------------|--------------------------|
| <b>CRA Rating for West Virginia:</b> | <u>Satisfactory</u>      |
| <b>The lending test is rated:</b>    | <u>High Satisfactory</u> |
| <b>The investment test is rated:</b> | <u>Low Satisfactory</u>  |
| <b>The service test is rated:</b>    | <u>Low Satisfactory</u>  |

### Lending Test

- Lending levels reflect good responsiveness to credit needs in its AA.
- A majority of the bank's loan originations were in their AAs.
- The overall distribution of loans by borrower income level in the AA was good.

### Investment Test

- The bank has an adequate level of qualified investments in the West Virginia Non-MSA.
- The bank showed adequate responsiveness to credit and community development needs.

### Service Test

- The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels in its AA.
- To the extent changes have been made, its opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- The bank's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and low- and moderate-income individuals.

## Description of Institution's Operations in West Virginia

The bank operates eight bank branches in Mercer, Summers, and Wyoming Counties in West Virginia. These counties are contiguous and make up the West Virginia Non-MSA AA. The bank operates nine ATMs, four of which are remote. As of June 30, 2002, the bank had deposits of \$262 million in West Virginia, which represented a 1.2% deposit market share in the state. The bank ranked 10th out of 92 financial institutions operating in West Virginia. The bank's primary competitors in its AA are First Community Bank, N.A., and Branch Banking and Trust Company.

Approximately 84% of the bank's total deposits and 58% of small loans to businesses and farms originated during this evaluation period are located in the state of West Virginia.

Refer to the market profiles for the state of West Virginia in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## Scope of Evaluation in West Virginia

The West Virginia Non-MSA AA received a full-scope evaluation. Refer to the table in Appendix A for more information. The ratings for the state of West Virginia are based on the results of the single area receiving a full-scope review.

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered the bank's business strategy and financial condition, the number and types of loans sampled, and community credit needs identified through discussions with community contacts.

Overall, small loans to businesses and home mortgage loans were considered the bank's primary products. Small loans to farms were not included in the evaluation because there were too few loan originations to perform a meaningful evaluation. Small loans to businesses received the most weight because they were the majority of loans evaluated. Of the home mortgage products, refinance and home purchase loans were given equal weight. Less weight was placed on home improvement loans because there were few home improvement loans identified during the sampling process.

More weight was given to the borrower distribution of loans than to the geographic distribution of loans. There are no low-income geographies. Less than 6% of families (1,729) live in moderate-income geographies. Only 6% of owner-occupied housing units (1,908) are located in moderate-income geographies. Two percent of businesses (65) and 4% of farms (2) are located in moderate-income geographies.

## LENDING TEST

### Conclusions for Area Receiving a Full-Scope Review

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

### 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.

The bank's lending levels demonstrated good responsiveness to credit needs in its AA taking into account the financial difficulties the bank experienced during the evaluation period and economic conditions in the AA. At June 30, 2002, the bank ranked third with a 22% market share of deposits among eight financial institutions in the AA.

Relative to deposit market share and rank, the bank's CRA lending levels were good. The bank ranked fifth among 38 CRA reporters with a 7% market share in loans to businesses. The bank ranked third with an 11% market share of loans to businesses with less than \$1 million gross annual revenues. The bank ranked fourth among eight

CRA reporters with a 16% market share in loans to farms. The bank ranked third with a 19% share of loans to farms with less than \$1 million gross annual revenues.

### **Distribution of Loans by Income Level of the Geography**

Based on factors discussed above, an analysis of the geographic distribution of loans would not be meaningful and was not included in this evaluation.

### ***Lending Gap Analysis***

We evaluated the lending distribution in this AA to determine if any unexplained conspicuous gaps existed. We used reports and maps to compare the geographies where loans were made to the geographies in the AA. We considered loan distributions, branch locations, competition, market conditions, and demographic information. No unexplained conspicuous gaps were identified. This had a positive impact on the bank's geographic distribution of loans.

### ***Inside/Outside Ratio***

A majority of the bank's loan originations were in their AAs. Overall, 76% of the bank's loan originations were within their AAs. By loan product, 94% of home mortgage loans, 72% of small loans to businesses, and 80% of small loans to farms were inside the bank's AAs. This analysis was performed on the entire bank rather than by AA.

### **Distribution of Loans by Income Level of the Borrower**

The overall distribution of loans by borrower income level in the AA was good. The distribution of home mortgage loans by borrower income level was good. The distribution of small loans to businesses was good. A majority of small loans to businesses were for amounts less than \$100 thousand.

We considered the following factors in evaluating the bank's performance in lending to low-income borrowers. The AA's poverty level is higher than the state average. Over 16% of all families and 56% of low-income families in the AA live below poverty. At \$31,000, the non-MSA HUD adjusted median family income for West Virginia is the lowest in the nation. The area's unemployment rate is higher than the state average.

### ***Home Mortgage Loans***

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

### ***Home Purchase Loans***

The distribution of *home purchase loans* by income level of the borrower in the AA was adequate. The bank's percent of home purchase loans to low-income borrowers was

significantly lower than the percent of low-income families in the AA. The bank's percent of home purchase loans to moderate-income borrowers was lower than the percent of moderate-income families in the AA.

### ***Home Improvement Loans***

The bank's distribution of *home improvement loans* by borrower income level in the AA was excellent. The bank's percent of home improvement loans to low-income borrowers exceeded the percent of low-income families in the AA. The percent of home improvement loans to moderate-income borrowers exceeded the percent of moderate-income families in the AA.

### ***Refinance Loans***

The distribution of *refinance loans* by borrower income level in the AA was good. The bank's percent of refinance loans to low-income borrowers was significantly lower than the percent of low-income families residing in the AA. The bank's percent of refinance loans to moderate-income borrowers exceeded the percent of moderate-income families residing throughout the AA.

### ***Small Loans to Businesses***

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

The distribution of *small loans to businesses* in the AA was good. Of loans that included information on gross annual revenues in the decision-making process, the bank's percentage of small loans to small businesses (businesses with annual revenues \$1 million or less) was somewhat lower than the percentage of small businesses in the AA. The bank's market share of small loans to small businesses exceeded their overall market share of small loans to all businesses. The majority of the bank's small loans to businesses were for amounts less than \$100 thousand.

### **Community Development Lending**

The bank extended a \$200,000 line of credit to a community development organization whose focus is reducing or lessening the impact of poverty in the AA. This had a positive impact on lending performance because opportunities to lend for community development purposes were limited. Refer to the Market Profile section for details on needs and opportunities.

### **Product Innovation and Flexibility**

The bank did not make use of innovative or complex lending practices to meet community credit needs during the evaluation period. This had a neutral impact on lending performance.

## INVESTMENT TEST

### Conclusions for Area Receiving a Full-Scope Review

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

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.

The bank has an adequate level of qualified investments in the AA considering the financial condition of the bank during the evaluation period and the limited opportunities to invest in community development projects and organizations. The bank showed adequate responsiveness to credit and community development needs. Refer to the Market Profile section for details on needs and opportunities.

The bank made ten contributions totaling \$6,299 to community development organizations that provide direct support, services and activities that impact moderate-income geographies and low- and moderate-income individuals in the AA. There were no prior period investments. Total investments were equal to less than 1% of Tier 1 capital.

The bank made investments that support needs identified and discussed in the profile found in Appendix C for the West Virginia Non-MSA AA.

## SERVICE TEST

### Conclusions for Area Receiving a Full-Scope Review

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

### 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 distribution of the bank's branch delivery system and branch openings and closings.

The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels in its AA. The bank has no branches in the moderate-income geographies. However, only 6% of the population lives in the moderate-income geographies. Ten percent of low-income families live in moderate-income geographies. Six percent of moderate-income families live in moderate-income geographies.

To the extent changes have been made, its opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. The bank closed no branches during the evaluation period. Two branches were opened in middle-income geographies. Eighty-eight percent of low-income families live in middle-income geographies. Eighty-nine percent of moderate-income families live in middle-income geographies.

The bank's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and low- and moderate-income individuals. The bank offers transaction services at all but one branch in the AA. The bank operates a lending office in Princeton. Branch hours are tailored to meet the needs of the community and vary slightly from one branch to another but do not restrict access for low- and moderate-income geographies or persons.

### **Community Development Services**

The bank provides a limited level of community development services. Officers and staff contributed services to four community development organizations in the AA during the evaluation period. These included service on boards of directors and committees for organizations that develop affordable housing, support small business development and provide community services for low- and moderate-income individuals and geographies.

## State Rating

|                                      |                          |
|--------------------------------------|--------------------------|
| <b>CRA Rating for Virginia:</b>      | <b>Satisfactory</b>      |
| <b>The lending test is rated:</b>    | <u>High Satisfactory</u> |
| <b>The investment test is rated:</b> | <u>Low Satisfactory</u>  |
| <b>The service test is rated:</b>    | <u>Low Satisfactory</u>  |

The major factors that support this rating include:

### Lending Test

- Lending levels reflect excellent responsiveness to credit needs in its AA.
- A majority of the bank's loan originations were in their AAs.
- The overall distribution of loans by income level in the Virginia Non-MSA AA was good.

### Investment Test

- The bank has an adequate level of qualified investments in the AA.
- The bank showed adequate responsiveness to credit and community development needs.

### Service Test

- The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels in its AA.
- The bank's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income individuals and geographies.

## Description of Institution's Operations in Virginia

The bank operates three branches in Tazewell and Wythe Counties in Virginia. The bank operates four ATMS, three of which are remote. As of June 30, 2002, the bank had deposits of \$51 million in the state of Virginia, which represented less than a 1% market share of all deposits in the state. The bank ranked 140th out of 168 financial institutions operating in Virginia. The bank's primary competitors in its AA are First Virginia Bank Southwest and The Bank of Tazewell County.

Approximately 16% of the bank's total deposits and 42% of small loans to businesses and farms originated during the evaluation period were located in Virginia.

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

## Scope of Evaluation in Virginia

The Virginia Non-MSA AA received a full-scope evaluation. Refer to the table in Appendix A for more information. The rating for the state of Virginia is based on the results of the area receiving a full-scope review.

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered the bank's business strategy and financial condition, the number and types of loans sampled, and community credit needs identified through discussions with community contacts.

Overall, small loans to businesses and home mortgage loans were considered the bank's primary products. Small loans to farms were included in the evaluation because the bank is a primary lender to farms in the AA. Small loans to businesses received the most weight because they represented the majority of loans originated. Small loans to farms received the least weight because there were a small number of originations. Of the home mortgage products, refinance and home purchase loans were given equal weight. Less weight was placed on home improvement loans because there were few home improvement loans identified during the sampling process.

## LENDING TEST

### Conclusions for Area Receiving a Full-Scope Review

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

### 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.

The bank's lending levels reflect excellent responsiveness to credit needs in its AA, particularly taking into account the financial difficulties the bank experienced during the evaluation period and the high level of competition from financial institutions that do not have a deposit base in the AA. Relative to deposit market rank, the bank's small business lending levels are excellent. At June 30, 2002, the bank ranked eighth out of 15 financial institutions in deposits in the Virginia Non-MSA AA with a 5% market share. The bank ranked fifth among 35 CRA reporters with an overall market share of 7% in loans to businesses. The bank ranked second with a market share of 15% in loans to businesses with less than \$1 million gross annual revenues. The bank ranked third among nine CRA reporters with an overall market share of 21% in loans to small farms. The bank ranked third with a market share of 21% in loans to farms with less than \$1 million gross annual revenues.

### Distribution of Loans by Income Level of the Geography

An analysis of the geographic distribution of loans was not included in this evaluation. There are no low- or upper-income tracts in the AA. There is insufficient variation between geographies to produce a meaningful evaluation. Also, there were no home improvement loans and too few home purchase loans to conduct a useful evaluation of home mortgage products.

### ***Lending Gap Analysis***

We evaluated the lending distribution in this AA to determine if any unexplained conspicuous gaps existed. We used reports and maps to compare the geographies where loans were made to the geographies in the AA. We considered loan distributions, branch locations, competition, market conditions, and demographic information. No unexplained conspicuous gaps were identified. This had a positive impact on the bank's geographic distribution of loans.

### ***Inside/Outside Ratio***

A majority of the bank's loan originations were in their AAs. Overall, 76% of the bank's loan originations were within their AAs. By loan product, 94% of home mortgage loans, 72% of small loans to businesses, and 80% of small loans to farms were inside the bank's AAs. This analysis was performed on the entire bank rather than by AA.

### **Distribution of Loans by Income Level of the Borrower**

The overall distribution of loans by income level in the Virginia Non-MSA AA is good. The distribution of home mortgage loans by borrower income level is adequate. The distribution of small loans to businesses is excellent. The distribution of small loans to farms is good. A majority of small loans to business were for amounts less than \$100 thousand. A majority of small loans to farms were for amounts less than \$100 thousand.

We considered the following factors in evaluating the bank's performance in lending to low-income borrowers. The poverty level is higher than the state average. Sixteen percent of all families and 60% of low-income families in the AA live below poverty. The unemployment rate in the AA is higher than the state average.

### ***Home Mortgage Loans***

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

### ***Home Purchase Loans***

The distribution of *home purchase loans* by income level of the borrower in the Virginia Non-MSA AA was adequate. The bank's percent of home purchase loans to low-

income borrowers was significantly lower than the percent of low-income families in the AA. The percent of home purchase loans to moderate-income borrowers was near to the percent of moderate-income families in the AA.

### ***Refinance Loans***

The distribution of *refinance loans* by borrower income level in the AA was good. The bank made no loans to low-income borrowers in the AA. The bank's percent of refinance loans to moderate-income borrowers exceeded the percent of moderate-income families residing in the AA.

### ***Small Loans to Businesses***

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

The distribution of *small loans to businesses* in the AA was excellent. Of loans that included information on gross annual revenues in the decision-making process, the bank's percentage of small loans to small businesses (businesses with annual revenues \$1 million or less) was somewhat lower than the percentage of small businesses in the AA. The bank's market share of small loans to small businesses exceeded their overall market share of small loans to all businesses. The bank's market share in small loans to small businesses exceeded their market share of all small loans to businesses. A majority of the bank's small loans to businesses were for amounts less than \$100 thousand.

### ***Small Loans to Farms***

Refer to Table 12 in the state of Virginia section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of *small loans to farms* in the AA was good. Of loans that included information on gross annual revenues in the decision-making process, the bank's percentage of small loans to small farms (farms with annual revenues \$1 million or less) was near to the percentage of small farms in the AA. A majority of the bank's small loans to farms were for amounts less than \$100 thousand. The bank's market share of small loans to small farms exceeded their overall market share of small loans to all farms.

### **Community Development Lending**

The bank originated no community development loans during the evaluation period. This had a neutral impact on lending performance because opportunities to lend for community development purposes were limited. Refer to the Market Profile section for details on needs and opportunities.

## **Product Innovation and Flexibility**

The bank did not make use of innovative or complex lending practices to meet community credit needs during the evaluation period. This had a neutral impact on lending performance.

## **INVESTMENT TEST**

### **Conclusions for Area Receiving a Full-Scope Review**

The bank's performance under the investment test in Virginia is rated **Low Satisfactory**. Based on a full-scope review, the bank's performance in the AA is adequate.

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.

The bank has an adequate level of qualified investments in the AA considering the financial condition of the bank during the evaluation period and opportunities to invest in community development projects and organizations. The bank showed adequate responsiveness to credit and community development needs. Refer to the Market Profile section for details on needs and opportunities.

The bank made six contributions totaling \$652 during the evaluation period to community development organizations that provide direct support, services and activities that impact moderate-income geographies and low- and moderate-income individuals in the AA. There were no prior period investments. Total investments in the AA equal less than 1% of Tier 1 capital.

## **SERVICE TEST**

### **Conclusions for Area Receiving a Full-Scope Review**

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

### **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 distribution of the bank's branch delivery system and branch openings and closings.

The bank closed no branches and opened no branches in the AA during the evaluation period.

The bank's service delivery systems are reasonably accessible to geographies and

individuals of different income levels in its AA. The AA has no low-income geographies. The percent of branches located in moderate-income geographies is adequate when compared to the percent of population in moderate-income geographies.

The bank's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income individuals and geographies. Branch hours are tailored to each community and vary slightly from one branch to another but do not restrict access for low- and moderate-income geographies or persons.

### **Community Development Services**

The bank provided no community development services in the AA during the evaluation period. This had a negative impact but did not change the Service Test rating.

## 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”).

|   |  |  |
|---|--|--|
| <b>Time Period Reviewed</b>                             | Lending Test (excludes CD loans): 1/1/1998 to 12/31/01<br>Investment and Service Tests and CD Loans: 6/4/1998 to 12/2/02 |  |
| <b>Financial Institution</b>                            | <b>Products Reviewed</b>   |  |
| First Century Bank, N.A.<br>Bluefield, West Virginia    | Small loans to businesses and farms<br>Home mortgage loans<br>Community Development Loans,<br>Services and Investments   |  |
| <b>Affiliate(s)</b>                                     | <b>Affiliate Relationship</b>  | <b>Products Reviewed</b>                                       |
| First Century Financial Services                        | Subsidiary   | None   |
| <b>List of Assessment Areas and Type of Examination</b> |  |  |
| <b>Assessment Area</b>                                  | <b>Type of Exam</b>  | <b>Other Information</b>                                       |
| <u>West Virginia</u><br>West Virginia Non-MSA           | Full-Scope   | The counties of Mercer, Summers and Wyoming in their entirety. |
| <u>Virginia</u><br>Virginia Non-MSA                     | Full-Scope   | The counties of Tazewell and Wythe in their entirety.          |

## Appendix B: Summary of State Ratings

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| RATINGS FIRST CENTURY BANK, N.A.       |                      |                        |                     |                                      |
|--|----------------------|------------------------|---------------------|--------------------------------------|
| Overall Bank:                          | Lending Test Rating* | Investment Test Rating | Service Test Rating | Overall Bank/State/Multistate Rating |
| FIRST CENTURY BANK, N.A.               | High Satisfactory    | Low Satisfactory       | Low Satisfactory    | Satisfactory                         |
| Multistate Metropolitan Area or State: |                      |                        |                     |                                      |
| WEST VIRGINIA                          | High Satisfactory    | Low Satisfactory       | Low Satisfactory    | Satisfactory                         |
| VIRGINIA                               | High Satisfactory    | Low Satisfactory       | Low 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

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**State of West Virginia**

**West Virginia Non-MSA**

| 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)   | 25      | 0          | 8                                  | 84            | 8            | 0          |
| Population by Geography  | 108,174 | 0          | 6                                  | 87            | 7            | 0          |
| Owner-Occupied Housing by Geography  | 31,815  | 0          | 6                                  | 86            | 8            | 0          |
| Business by Geography  | 3,245   | 0          | 2                                  | 86            | 12           | 0          |
| Farms by Geography   | 57      | 0          | 4                                  | 91            | 5            | 0          |
| Family Distribution by Income Level  | 30,671  | 22         | 17                                 | 20            | 41           | 0          |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 12,165  | 0          | 8                                  | 89            | 3            | 0          |
| Median Family Income   |         | 22,654     | Median Housing Value               |               | \$40,300     |            |
| HUD Adjusted Median Family Income for 2001                                 |         | 31,000     | Unemployment Rate (1990 US Census) |               | 4.2%         |            |
| Households Below Poverty Level   |         | 22.3%      |                                    |               |              |            |

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

The West Virginia 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 West Virginia. Mercer County borders Tazewell County in Virginia. Retail services businesses are both the largest employer and the largest industry in the assessment area. Manufacturing is the second largest employer but represents a small number of business establishments by type in the area. Transportation is the third largest employer and represents the fourth largest industry.

There are no low-income geographies and only two moderate-income geographies in the AA. Nineteen percent of families in the AA live below poverty. Statewide, just over thirteen percent of families live below poverty. The unemployment rate in the AA as of September 30, 2002 was 5.7%. The unemployment rate in Wyoming County was 7.2%. The unemployment rate for the state of West Virginia was 6.2%.

FCB operates eight branches and nine ATMs in the assessment area. The bank reported total deposits of \$314 million as of June 30, 2002. Eighty-four 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 third in market share with 22% of total deposits. First Community Bank, N.A. ranked first with 37% of the total deposit market share. Branch Banking and Trust Company ranked second in the market with over 22% of total deposits. There were eight banking and thrift companies operating a total of 32 branches in the assessment area as of June 30, 2002.

We reviewed three community contacts. One contact indicated credit needs included affordable housing and small business development. The contact indicated local financial institutions had not been exceedingly cooperative in working with their organization to provide services for low- and moderate-income families in the area. The most recent contact did not identify any particular credit need and stated that financial services were readily available in the area.

Based on the contacts and our review of publicly available information, 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. Most social and human services are provided by local, state, and federal government entities. The 2001 Directory of National Bank Community Development Investments has no listings for prior community development investments in West Virginia.

**State of Virginia**

**Virginia Non-MSA**

| Demographic Information for Full Scope Area: Yanceyville AA                |        |            |                                    |               |              |            |
|--|--------|------------|------------------------------------|---------------|--------------|------------|
| Demographic Characteristics  | #      | Low % of # | Moderate % of #                    | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts/BNAs)   | 15     | 0          | 40                                 | 60            | 0            | 0          |
| Population by Geography  | 71,426 | 0          | 41                                 | 59            | 0            | 0          |
| Owner-Occupied Housing by Geography  | 29,560 | 0          | 41                                 | 59            | 0            | 0          |
| Business by Geography  | 2,495  | 0          | 26                                 | 74            | 0            | 0          |
| Farms by Geography   | 164    | 0          | 20                                 | 80            | 0            | 0          |
| Family Distribution by Income Level  | 20,928 | 26         | 21                                 | 21            | 32           | 0          |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 9,937  | 0          | 46                                 | 54            | 0            | 0          |
| Median Family Income   |        | \$28,301   | Median Housing Value               |               | \$48,924     |            |
| HUD Adjusted Median Family Income for 2001                                 |        | \$40,800   | Unemployment Rate (1990 US Census) |               | 3.5%         |            |
| Households Below Poverty Level   |        | 19%        |                                    |               |              |            |

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

The non-MSA assessment area includes the counties of Tazewell and Wythe located in southwestern Virginia. Tazewell County borders Mercer County, West Virginia. 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. Manufacturing is the second largest employer and sixth largest industry in the area. Wholesale trade is both the third largest employer and third largest industry by number of establishments.

There are no low-income geographies and only two moderate-income geographies in the AA. Sixteen percent of families in the AA live below poverty. Statewide, just over thirteen percent of families live below poverty. The unemployment rate in the AA as of September 30, 2002 was 5.7%. The unemployment rate in Tazewell County was 6%. The unemployment rate in Wythe County was 5.6%. The unemployment rate for the state of Virginia was 3.9%.

The bank’s primary business focuses in the AA are lending to businesses and home mortgage loans. They are also a primary lender to small farms in the AA.

We reviewed three community contacts. One contact indicated a primary credit need was for infrastructure improvements in order to attract new businesses, but acknowledged local financial institutions were active in funding infrastructure projects. The most recent contact stated the primary credit needs were related to economic development, business financing, and housing development. The contact stated

financial services are accessible but equity financing needs have not been adequately satisfied by area financial institutions.

Based on the contacts and 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. Most social and human services are provided by local, state, and Federal government entities. The 2001 Directory of National Bank Community Development Investments has no listings for prior community development investments in southwestern Virginia.

# Appendix D: Tables of Performance Data

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## Content of Standardized Tables

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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 30<sup>th</sup> 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.
- 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 Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily 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. 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.

**Table 14. 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

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State of West Virginia

**Table 1. Lending Volume**

| LENDING VOLUME        |                                     | Geography: STATE OF WEST VIRGINIA |            |                           |            | Evaluation Period: 1/1/1998 TO 12/31/2001 |            |                               |            |                      |           |                                      |
|-----------------------|-------------------------------------|-----------------------------------|------------|---------------------------|------------|---|------------|-------------------------------|------------|----------------------|-----------|--------------------------------------|
| MA/Assessment Area:   | % 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) |                                      |
| <b>Full Review:</b>   |                                     |                                   |            |                           |            |   |            |                               |            |                      |           |                                      |
| West Virginia Non-MSA | 100                                 | 83                                | 3,745      | 190                       | 13,172     | 5   | 354        | 1                             | 200        | 279                  | 17,471    | 100                                  |

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is June 8, 1998 to December 2, 2002.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, or institution, as appropriate.

## Table 8. Borrower Distribution of Home Purchase Loans

| Borrower Distribution: HOME PURCHASE |                           |             |                      |                |                           |                  |                         |                  |                        |                  |               |     |     |     | Geography: STATE OF WEST VIRGINIA |  |  |  |  | Evaluation Period: 1/1/1998 TO 12/31/2001 |  |  |  |  |
|--------------------------------------|---------------------------|-------------|----------------------|----------------|---------------------------|------------------|-------------------------|------------------|------------------------|------------------|---------------|-----|-----|-----|-----------------------------------|--|--|--|--|---|--|--|--|--|
| MA/Assessment Area:                  | Total Home Purchase Loans |             | Low-Income Borrowers |                | Moderate-Income Borrowers |                  | Middle-Income Borrowers |                  | Upper-Income Borrowers |                  | Market Share* |     |     |     |                                   |  |  |  |  |   |  |  |  |  |
|                                      | #                         | % of Total* | % Families**         | % BANK Loans** | % Families**              | % BANK Loans**** | % Families*             | % BANK Loans**** | % Families*            | % BANK Loans**** | Over all      | Low | Mod | Mid | Upp                               |  |  |  |  |   |  |  |  |  |
| <b>Full Review:</b>                  |                           |             |                      |                |                           |                  |                         |                  |                        |                  |               |     |     |     |                                   |  |  |  |  |   |  |  |  |  |
| West Virginia Non-MSA                | 25                        | 100         | 22                   | 4              | 18                        | 8                | 19                      | 21               | 41                     | 57               | 0             | 0   | 0   | 0   | 0                                 |  |  |  |  |   |  |  |  |  |

\* Based on 2001 Peer Mortgage Data: Southeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 4% of loans originated and purchased by FCB.

\*\*\* 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: STATE OF WEST VIRGINIA |     |     |  |  | Evaluation Period: 1/1/1998 TO 12/31/2001 |  |  |  |  |
|---|------------------------------|--------------|----------------------|------------------|---------------------------|------------------|-------------------------|------------------|------------------------|------------------|-------------------|------------------|----------|-----|-----------------------------------|-----|-----|--|--|---|--|--|--|--|
| MA/Assessment Area:                     | Total Home Improvement Loans |              | Low-Income Borrowers |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |                  | Upper-Income Borrowers |                  | Market Share*     |                  |          |     |                                   |     |     |  |  |   |  |  |  |  |
|   | #                            | % of Total** | % Families*<br>**    | % BANK Loans**** | % Families*<br>**         | % BANK Loans**** | % Families*<br>**       | % BANK Loans**** | % Families*<br>**      | % BANK Loans**** | % Families*<br>** | % BANK Loans**** | Over all | Low | Mod                               | Mid | Upp |  |  |   |  |  |  |  |
| <b>Full Review:</b>                     |                              |              |                      |                  |                           |                  |                         |                  |                        |                  |                   |                  |          |     |                                   |     |     |  |  |   |  |  |  |  |
| West Virginia Non-MSA                   | 17                           | 100          | 22                   | 24               | 18                        | 24               | 19                      | 35               | 41                     | 17               | 0                 | 0                | 0        | 0   | 0                                 |     |     |  |  |   |  |  |  |  |

\* Based on 2001 Peer Mortgage Data: Southeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by FCB.

\*\*\* 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: STATE OF WEST VIRGINIA |                  |                           |                  | Evaluation Period: 1/1/1998 TO 12/31/2001 |                  |                        |                  |               |     |     |     |     |
|--|-------------------------------------|--------------|-----------------------------------|------------------|---------------------------|------------------|---|------------------|------------------------|------------------|---------------|-----|-----|-----|-----|
| MA/Assessment Area:                            | Total Home Mortgage Refinance Loans |              | Low-Income Borrowers              |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers                   |                  | Upper-Income Borrowers |                  | Market Share* |     |     |     |     |
|  | #                                   | % of Total** | % Families*<br>**                 | % BANK Loans**** | % Families*<br>**         | % BANK Loans**** | % Families*<br>**                         | % BANK Loans**** | % Families*<br>**      | % BANK Loans**** | Over all      | Low | Mod | Mid | Upp |
| <b>Full Review:</b>                            |                                     |              |                                   |                  |                           |                  |   |                  |                        |                  |               |     |     |     |     |
| West Virginia Non-MSA                          | 41                                  | 100          | 22                                | 2                | 18                        | 20               | 19  | 24               | 41                     | 54               | 0             | 0   | 0   | 0   | 0   |

\* Based on 2001 Peer Mortgage Data: Southeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by FCB.

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

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage 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: STATE OF WEST VIRGINIA |   | Evaluation Period: 1/1/1998 TO 12/31/2001 |  |                         |                           |               |                         |
|--|---------------------------------|-----------------------------------|---|---|--|-------------------------|---------------------------|---------------|-------------------------|
| 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 |
| <b>Full Review:</b>                              |                                 |                                   |   |   |  |                         |                           |               |                         |
| West Virginia Non-MSA                            | 190                             | 100                               | 88  | 50  | 83   | 11                      | 6                         | 7             | 11                      |

\* Based on 2001 Peer Small Business Data: US.

\*\* 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 - 2000).

\*\*\*\* 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 31% of small loans to businesses originated and purchased by FCB.

### Table 13. Qualified Investments

| QUALIFIED INVESTMENTS |                           | Geography: STATE OF WEST VIRGINIA |                            |           |                   | Evaluation Period: 6/4/1998 TO 12/2/2002 |            |                        |           |
|-----------------------|---------------------------|-----------------------------------|----------------------------|-----------|-------------------|--|------------|------------------------|-----------|
| MA/Assessment Area:   | Prior Period Investments* |                                   | Current Period Investments |           | Total Investments |  |            | Unfunded Commitments** |           |
|                       | #                         | \$(000's)                         | #                          | \$(000's) | #                 | \$(000's)                                | % of Total | #                      | \$(000's) |
| <b>Full Review:</b>   |                           |                                   |                            |           |                   |  |            |                        |           |
| West Virginia Non-MSA | 0                         | 0                                 | 10                         | 6         | 10                | 6  | 100        | 0                      | 0         |

\* 'Prior Period Investments' means investments made in a previous evaluation 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 14. Distribution of Branch Delivery System and Branch Openings/Closings

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: STATE OF WEST VIRGINIA <span style="float: right;">Evaluation Period: 6/4/1998 TO 12/2/2002</span> |                                |                    |                                |   |     |     |     |                          |                      |   |     |     |     |                                       |     |     |     |
|---|--------------------------------|--------------------|--------------------------------|---|-----|-----|-----|--------------------------|----------------------|---|-----|-----|-----|---------------------------------------|-----|-----|-----|
| 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 |
| <b>Full Review:</b>   |                                |                    |                                |   |     |     |     |                          |                      |   |     |     |     |                                       |     |     |     |
| West Virginia Non-MSA   | 100                            | 8                  | 100                            | 0   | 0   | 5   | 3   | 2                        | 0                    | 0   | 0   | +2  | 0   | 0                                     | 6   | 87  | 7   |

State of Virginia

**Table 1. Lending Volume**

| LENDING VOLUME                            |                                     |               |            |                           |            |                      |            |                               |            |                      |           |                                      |
|---|-------------------------------------|---------------|------------|---------------------------|------------|----------------------|------------|-------------------------------|------------|----------------------|-----------|--------------------------------------|
| Geography: STATE OF VIRGINIA              |                                     |               |            |                           |            |                      |            |                               |            |                      |           |                                      |
| Evaluation Period: 1/1/1998 TO 12/31/2001 |                                     |               |            |                           |            |                      |            |                               |            |                      |           |                                      |
| MA/Assessment Area:                       | % 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) |                                      |
| <b>Full Review:</b>                       |                                     |               |            |                           |            |                      |            |                               |            |                      |           |                                      |
| VA Non-MSA AA                             | 100                                 | 44            | 3,365      | 116                       | 10,082     | 23                   | 656        | 0                             | 0          | 183                  | 14,103    | 100                                  |

\* Loan Data as of December 31, 2001. Rated area refers to the state MA rating area.

\*\* The evaluation period for Community Development Loans is June 4, 1998 to December 2, 2002.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to the state, or institution, as appropriate.

### Table 8. Borrower Distribution of Home Purchase Loans

| Borrower Distribution: HOME PURCHASE |                           |             |                      |                |                           |                  |                         |                  |                        |                  |               |     |     |     | Geography: STATE OF VIRGINIA |  |  |  |  | Evaluation Period: 1/1/1998 TO 12/31/2001 |  |  |  |  |  |  |  |  |  |
|--------------------------------------|---------------------------|-------------|----------------------|----------------|---------------------------|------------------|-------------------------|------------------|------------------------|------------------|---------------|-----|-----|-----|------------------------------|--|--|--|--|---|--|--|--|--|--|--|--|--|--|
| MA/Assessment Area:                  | Total Home Purchase Loans |             | Low-Income Borrowers |                | Moderate-Income Borrowers |                  | Middle-Income Borrowers |                  | Upper-Income Borrowers |                  | Market Share* |     |     |     |                              |  |  |  |  |   |  |  |  |  |  |  |  |  |  |
|                                      | #                         | % of Total* | % Families**         | % BANK Loans** | % Families**              | % BANK Loans**** | % Families*             | % BANK Loans**** | % Families**           | % BANK Loans**** | Over all      | Low | Mod | Mid | Upp                          |  |  |  |  |   |  |  |  |  |  |  |  |  |  |
| <b>Full Review:</b>                  |                           |             |                      |                |                           |                  |                         |                  |                        |                  |               |     |     |     |                              |  |  |  |  |   |  |  |  |  |  |  |  |  |  |
| VA Non-MSA AA                        | 15                        | 100         | 26                   | 7              | 21                        | 20               | 21                      | 33               | 32                     | 40               | 0             | 0   | 0   | 0   | 0                            |  |  |  |  |   |  |  |  |  |  |  |  |  |  |

\* Based on 2001 Peer Mortgage Data: Southeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by FCB.

\*\*\* 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: STATE OF VIRGINIA |     |     |  |  | Evaluation Period: 1/1/1998 TO 12/31/2001 |  |  |  |  |
|---|------------------------------|--------------|----------------------|------------------|---------------------------|------------------|-------------------------|------------------|------------------------|------------------|-------------------|------------------|----------|-----|------------------------------|-----|-----|--|--|---|--|--|--|--|
| MA/Assessment Area:                     | Total Home Improvement Loans |              | Low-Income Borrowers |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |                  | Upper-Income Borrowers |                  | Market Share*     |                  |          |     |                              |     |     |  |  |   |  |  |  |  |
|   | #                            | % of Total** | % Families*<br>**    | % BANK Loans**** | % Families*<br>**         | % BANK Loans**** | % Families*<br>**       | % BANK Loans**** | % Families*<br>**      | % BANK Loans**** | % Families*<br>** | % BANK Loans**** | Over all | Low | Mod                          | Mid | Upp |  |  |   |  |  |  |  |
| <b>Full Review:</b>                     |                              |              |                      |                  |                           |                  |                         |                  |                        |                  |                   |                  |          |     |                              |     |     |  |  |   |  |  |  |  |
| VA Non-MSA AA                           | 0                            | 100          | 26                   | 0                | 21                        | 0                | 21                      | 0                | 32                     | 0                | 0                 | 0                | 0        | 0   | 0                            | 0   |     |  |  |   |  |  |  |  |

\* Based on 2001 Peer Mortgage Data: Southeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by FCB.

\*\*\* 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: STATE OF VIRGINIA |                  |                           |                  | Evaluation Period: 1/1/1998 TO 12/31/2001 |                  |                        |                  |               |     |     |     |     |
|--|-------------------------------------|--------------|------------------------------|------------------|---------------------------|------------------|---|------------------|------------------------|------------------|---------------|-----|-----|-----|-----|
| MA/Assessment Area:                            | Total Home Mortgage Refinance Loans |              | Low-Income Borrowers         |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers                   |                  | Upper-Income Borrowers |                  | Market Share* |     |     |     |     |
|  | #                                   | % of Total** | % Families*<br>**            | % BANK Loans**** | % Families*<br>**         | % BANK Loans**** | % Families*<br>**                         | % BANK Loans**** | % Families*<br>**      | % BANK Loans**** | Over all      | Low | Mod | Mid | Upp |
| <b>Full Review:</b>                            |                                     |              |                              |                  |                           |                  |   |                  |                        |                  |               |     |     |     |     |
| VA Non-MSA AA                                  | 29                                  | 100          | 26                           | 0                | 21                        | 29               | 21  | 28               | 32                     | 45               | 0             | 0   | 0   | 0   | 0   |

\* Based on 2001 Peer Mortgage Data: Southeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by FCB.

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

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage 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: STATE OF VIRGINIA                     |                                 |              |   |                  | Evaluation Period: 1/1/1998 TO 12/31/2001            |                         |                           |               |                         |
|  | 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 |
| MA/Assessment Area:                              |                                 |              |   |                  |  |                         |                           |               |                         |
| <b>Full Review:</b>                              |                                 |              |   |                  |  |                         |                           |               |                         |
| VA Non-MSA AA                                    | 116                             | 100          | 87  | 57               | 73   | 20                      | 7                         | 7             | 15                      |

\* Based on 2001 Peer Small Business Data: US.

\*\* 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 - 2000).

\*\*\*\* 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 30% of small loans to businesses originated and purchased by FCB.

## Table 12. Borrower Distribution of Small Loans to Farms

| Borrower Distribution: SMALL LOANS TO FARMS |                            |              |  |                  |  |                         |                         |               |                         |
|---|----------------------------|--------------|--|------------------|--|-------------------------|-------------------------|---------------|-------------------------|
| Geography: STATE OF VIRGINIA                |                            |              |  |                  |  |                         |                         |               |                         |
| Evaluation Period: 1/1/1998 TO 12/31/2001   |                            |              |  |                  |  |                         |                         |               |                         |
| 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 \$500,000 | All           | Rev \$1 Million or Less |
| <b>Full Review:</b>                         |                            |              |  |                  |  |                         |                         |               |                         |
| VA Non-MSA AA                               | 23                         | 100          | 95   | 65               | 91   | 9                       | 0                       | 16            | 21                      |

\* Based on 2001 Peer Small Business Data: US.

\*\* 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 - 2000).

\*\*\*\* 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 30% of small loans to farms originated and purchased by FCB.

## Table 13. Qualified Investments

| QUALIFIED INVESTMENTS |                           |                              |                            |           |                   |  |            |                        |           |
|-----------------------|---------------------------|------------------------------|----------------------------|-----------|-------------------|--|------------|------------------------|-----------|
|                       |                           | Geography: STATE OF VIRGINIA |                            |           |                   | Evaluation Period: 6/4/1998 TO 12/2/2002 |            |                        |           |
| MA/Assessment Area:   | Prior Period Investments* |                              | Current Period Investments |           | Total Investments |  |            | Unfunded Commitments** |           |
|                       | #                         | \$(000's)                    | #                          | \$(000's) | #                 | \$(000's)                                | % of Total | #                      | \$(000's) |
| <b>Full Review:</b>   |                           |                              |                            |           |                   |  |            |                        |           |
| VA Non-MSA AA         | 0                         | 0                            | 6                          | 1         | 6                 | 1  | 100        | 0                      | 0         |

\* 'Prior Period Investments' means investments made in a previous evaluation 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 14. Distribution of Branch Delivery System and Branch Openings/Closings

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS <b>Geography:</b> STATE OF VIRGINIA <b>Evaluation Period:</b> 6/4/1998 TO 12/2/2002 |                                |                    |                                |   |     |     |     |                          |                      |   |     |     |     |                                       |     |     |     |
|---|--------------------------------|--------------------|--------------------------------|---|-----|-----|-----|--------------------------|----------------------|---|-----|-----|-----|---------------------------------------|-----|-----|-----|
| 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 |
| <b>Full Review:</b>   |                                |                    |                                |   |     |     |     |                          |                      |   |     |     |     |                                       |     |     |     |
| VA Non-MSA AA   | 100.00                         | 3                  | 100                            | 0   | 1   | 2   | 0   | 0                        | 0                    | 0   | 0   | 0   | 0   | 0                                     | 41  | 59  | 0   |

