

PUBLIC DISCLOSURE

May 5, 2014

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Blue Ridge Bank

233527

17 West Main Street

Luray, Virginia 22835

**Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered to be more than reasonable in relation to the demand for credit in the combined assessment areas.
- A substantial majority of the institution's Home Mortgage Disclosure Act (HMDA) and consumer unsecured loans were originated within the bank's assessment areas.
- The bank's lending to borrowers of different income levels (borrower distribution performance) is considered reasonable.
- The bank's lending in census tracts having different income designations (geographic distribution performance) is considered reasonable.
- The institution has not received any complaints regarding its CRA performance since the previous evaluation.

SCOPE OF EXAMINATION

Blue Ridge Bank (BRB) was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with these procedures, HMDA loans reported by the bank during 2012 and 2013 were reviewed. Additionally, consumer unsecured lending is a primary product line and was considered in the evaluation. As such, the analysis also includes all consumer unsecured loans (92) originated by the bank during 2012.

Due to its relative size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied to the Page County assessment area. The bank's overall rating is based on performance in this single full-scope assessment area. The remaining assessment areas were subject to the limited review procedures provided for by the FFIEC. For the limited review assessment areas, a determination was made as to whether the performance was consistent with the assigned overall rating. **Appendix B** includes information detailing the lending volume, branch locations, and deposit volume by assessment area.

DESCRIPTION OF INSTITUTION

BRB, headquartered in Luray, Virginia, is a wholly-owned subsidiary of Blue Ridge Bankshares, Incorporated. Formerly operating as Page Valley Bank, the bank changed its name due to continued expansion into markets beyond Page County. The institution's previous CRA rating, dated March 30, 2009, was Outstanding. No known legal impediments exist that would preclude the bank from meeting the credit needs of its assessment areas.

As of March 31, 2014, BRB held assets totaling \$219.6 million, of which 72% were net loans. As of the same date, deposits totaled \$168.8 million. The institution offers a variety of credit and deposit products, including loans for consumer, residential mortgage, and business purposes. The composition of the loan portfolio (reflecting gross loans) as March 31, 2014, is represented in the table on the following page:

Composition of Loan Portfolio

Loan Type	3/31/2014	
	\$(000s)	%
Secured by 1-4 Family dwellings	64,254	40.1
Multifamily	6,867	4.3
Construction and Development	11,194	7.0
Commercial & Industrial/ NonFarm NonResidential	57,356	35.8
Consumer Loans and Credit Cards	1,384	0.9
Agricultural Loans/ Farmland	7,783	4.9
All Other	11,395	7.1
Total	160,233	100.0

As reflected in the preceding table, the bank’s existing loan portfolio is primarily concentrated in loans secured by residential real estate. The composition of the portfolio is consistent with the number of new loans recently extended by the bank, and consequently led to the selection of HMDA loans for consideration in the evaluation. Although commercial and industrial loans comprise the second largest proportion of the loan portfolio by dollar volume, the actual number of such loans recently extended is relatively small in comparison to the number of recently originated consumer loans. Consequently, consumer loans, specifically unsecured loans, were also considered in the evaluation.

BRB operates five offices in three assessment areas, which are detailed in the following table. Two of the bank’s assessment areas are located in Metropolitan Statistical Areas (MSA), while the third is located in a nonmetropolitan area.

Assessment Area	City/County	State	Tracts
Page County, VA NonMSA	Page County	VA	All
Charlottesville, VA MSA	Albemarle County	VA	All
	City of Charlottesville	VA	All
Harrisonburg, VA MSA	City of Harrisonburg	VA	All
	Rockingham County	VA	All

Since its previous CRA evaluation in March 2009, the bank opened a branch office in the City of Harrisonburg in April 2014, and it closed a branch office in Page County in February 2013 by consolidating its two Luray locations into one branch office. Given the timing of the branch changes, the bank operated for most of the evaluation period with three branch offices in the Page County market and only one in its Harrisonburg market. The changes did not impact the composition of the Page County assessment area and expanded the bank’s presence in the Harrisonburg market with the inclusion of the City of Harrisonburg. The Charlottesville office was acquired in 2011.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

An analysis of lending during the review period is discussed in greater detail in subsequent sections of this evaluation. When evaluating the bank’s performance, relevant area demographic data from the 2010 census are used as proxies for demand. Aggregate HMDA data from 2012 is utilized when evaluating the bank’s HMDA lending performance during 2012. Aggregate HMDA lending data from 2013 cannot be considered in this evaluation because the data is currently not available.

While BRB’s HMDA loan data from calendar years 2012 and 2013 were fully analyzed and considered in the evaluation, bank and aggregate data from only 2012 are reflected in the assessment area analysis tables. In instances where the bank’s 2013 HMDA performance varies significantly from its performance during 2012, such variance and the corresponding impact on the overall performance are discussed.

When evaluating the geographic and borrower distribution for a specific loan category within an assessment area, primary emphasis is placed on the number of loans originated. To arrive at an overall assessment area conclusion regarding the distribution of lending, performance in each loan category is then generally weighted by the dollar volume of such loans in the assessment area.

Overall, the bank’s performance is rated Satisfactory. This rating considers the bank’s loan-to-deposit ratio, level of lending in its assessment areas, borrower distribution performance, and geographic distribution performance. Each of these components is discussed in the following sections.

Loan-To-Deposit Ratio

The loan-to-deposit ratio is one measure of a bank’s lending relative to its capacity. As of March 31, 2014, the institution’s ratio equaled 93.6% and averaged 93.5% for the 21-quarter period since March 31, 2009. The quarterly average loan-to-deposit ratios for all banks headquartered in nonmetropolitan areas in Virginia and of similar asset size to BRB ranged from 71.1% to 84.4% for the same 21-quarter period ending March 31, 2014. Since December 31, 2008, the bank’s assets, loans, and deposits have increased by 110.4%, 106.3%, and 106.4%, respectively. BRB’s loan-to-deposit ratio is considered more than reasonable given the institution's size, financial condition, market conditions, and local credit needs.

Lending in Assessment Areas

To determine the institution’s volume of lending within its assessment areas, the geographic location of the bank’s HMDA lending during 2012 and 2013 and all of its consumer unsecured lending during 2012 was considered. The lending distribution is represented in the following table for the combined assessment areas.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	70	92.1	10,753	92.9	6	7.9	820	7.1
Home Improvement	29	100.0	2,005	100.0	0	0.0	0	0.0
Refinancing	47	85.5	8,747	85.0	8	14.5	1,545	15.0
Multi-Family Housing	3	75.0	2,520	79.5	1	25.0	650	20.5
Total HMDA related	149	90.9	24,025	88.8	15	9.1	3,015	11.2
Consumer Loans	90	97.8	479	97.8	2	2.2	11	2.2
TOTAL LOANS	239	93.4	24,504	89.0	17	6.6	3,026	11.0

As indicated in the preceding table, a substantial majority of both the number and dollar amount of HMDA and consumer unsecured loans were originated within the bank’s three assessment areas. Overall, the institution’s level of lending within its assessment areas is considered highly responsive to community credit needs.

Lending to Borrowers of Different Incomes

BRB’s level of lending to low-and moderate-income borrowers is considered to be reasonable for both HMDA and consumer unsecured loans.

Geographic Distribution of Loans

The bank’s geographic distribution performance is considered reasonable for both HMDA and consumer lending.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

NONMETROPOLITAN AREA

(If some or all of the assessment areas within the nonmetropolitan statewide area were reviewed using full-scope review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PAGE COUNTY, VA NONMSA:

The Page County, VA assessment area is located in Virginia's Northern Shenandoah Valley and includes all census tracts in Page County. The bank operates two full-service branches within the county and is one of five financial institutions with branches in the county. According to the 2010 census data, the market has a population of 24,042 and a median housing value of \$168,654. The owner-occupancy rate for the market equals 63.3%, which is higher than the rates in nonmetropolitan areas of Virginia and in the Commonwealth of Virginia, at 60.5% and 61.8%, respectively. In the assessment area, 9.1% of families are considered below the poverty level, which is lower than the percentage for nonmetropolitan areas of Virginia (11.1%), but higher than the poverty rate within the Commonwealth of Virginia (7.2%). The 2012 and 2013 HUD estimated median family incomes for nonmetropolitan areas of Virginia equaled \$52,600 and \$51,600, respectively. The table on the following page provides pertinent demographic data for the assessment area.

Assessment Area Demographics

Page County, VA NonMSA (Based on 2010 ACS Boundaries, and 2012 D&B information)										
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income			
	#	%	#	%	#	%	#	%		
Low	0	0.0	0	0.0	0	0.0	1,283	19.6		
Moderate	1	20.0	1,765	27.0	311	17.6	1,210	18.5		
Middle	2	40.0	2,319	35.5	253	10.9	1,348	20.6		
Upper	2	40.0	2,449	37.5	29	1.2	2,692	41.2		
NA	0	0.0	0	0.0	0	0.0				
Total	5	100.0	6,533	100.0	593	9.1	6,533	100.0		
	Owner Occupied Units by Tract		Households							
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income			
	#	%	#	%	#	%	#	%		
Low	0	0.0	0	0.0	0	0.0	1,917	19.9		
Moderate	1,694	23.3	2,524	26.2	529	21.0	1,901	19.7		
Middle	2,648	36.4	3,276	34.0	359	11.0	1,643	17.1		
Upper	2,940	40.4	3,829	39.8	249	6.5	4,168	43.3		
NA	0	0.0	0	0.0	0	0.0				
Total	7,282	100.0	9,629	100.0	1,137	11.8	9,629	100.0		
	Total Businesses by Tract		Businesses by Tract and Revenue Size							
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported			
	#	%	#	%	#	%	#	%		
Low	0	0.0	0	0.0	0	0.0	0	0.0		
Moderate	254	19.2	241	19.3	9	22.0	4	10.5		
Middle	422	31.8	395	31.7	11	26.8	16	42.1		
Upper	650	49.0	611	49.0	21	51.2	18	47.4		
NA	0	0.0	0	0.0	0	0.0	0	0.0		
Total	1,326	100.0	1,247	100.0	41	100.0	38	100.0		
Percentage of Total Businesses:				94.0		3.1		2.9		

*NA-Tracts without household or family income as applicable

Employment opportunities in the assessment area are afforded by government, retail services, manufacturing, and to a lesser extent, tourism of venues such as Luray Caverns. Many area residents commute to nearby Rockingham County and the City of Harrisonburg for other employment opportunities. Major area employers within the assessment area include the Page County School Board, VF Jeanswear, Valley Health System, International Paper, and Walmart. Unemployment rates as of March of each year dating back to 2009 are presented in the following table.

Unemployment Rate Trend						
Geographic Area	March	March	March	March	March	March
	2009	2010	2011	2012	2013	2014
Page County	15.5%	13.9%	12.4%	11.9%	10.2%	9.8%
Virginia	6.9%	7.6%	6.4%	5.9%	5.5%	5.3%

As indicated in the previous table, the unemployment rate in Page County continues to substantially exceed the unemployment rate for Virginia. Though the rate has declined significantly during the period reflected in the table, it continues to remain elevated from a historical perspective, and is indicative of a comparatively weak local economy.

A representative from a local economic development agency was contacted to discuss the economic conditions and credit needs of the community. The contact noted that local residents are resigned to seeking employment outside of the area due to the lack of jobs locally. The United States Small Business Administration has designated Page County as a Historically Underutilized Business Zone (HUBZone). This designation is given to areas to foster business development. Among other requirements, for a company to be eligible for this designation it must have its principle office within the HUBZone and employ at least 35% of its employees from the area in which it's located. In return, the business will get benefits in procuring government contracts. The contact stated that the program should provide an influx of new business opportunities to the area. Though the area's economy remains somewhat depressed, it was the opinion of the individual contacted that area financial institutions are adequately meeting local credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

During 2012, the bank originated a total of \$6.5 million in HMDA loans and \$383,000 in consumer unsecured loans. Accordingly, the bank's HMDA lending performance is given more weight than the consumer performance when evaluating the bank's overall lending performance.

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

The bank's HMDA loan borrower distribution performance is reasonable, while its consumer loan performance is excellent. Because of the larger dollar volume of HMDA lending within the assessment area, its performance is given greater weight, and the bank's overall level of performance is considered reasonable.

Distribution of HMDA Loans by Income Level of Borrower

Page County, VA NonMSA (2012)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	4	6.6	77	1.2	47	7.4	3,987	4.6
Moderate	12	19.7	1,376	21.9	142	22.4	15,165	17.5
Middle	13	21.3	760	12.1	142	22.4	17,750	20.4
Upper	32	52.4	4,068	64.8	304	47.8	49,947	57.5
Total	61	100.0	6,281	100.0	635	100.0	86,849	100.0
Unknown	1		239		81		12,685	

Percentage's (%) are calculated on all loans where incomes are known

While the bank's lending during 2012 to low-income borrowers (6.6%) lagged the percentage of low-income families in the assessment area (19.6%), it approximated the aggregate reporter lending level (7.4%). Bank lending to moderate-income borrowers (19.7%) exceeded the percentage of moderate-income families (18.5%) in the area but slightly lagged the aggregate reporter lending level (22.4%). The bank's performance during 2012 is considered reasonable.

During 2013, BRB originated 37 HMDA loans totaling \$3.6 million where income was known. Bank lending to low-income borrowers (2.7%) was lower than the 2012 lending level, but lending to moderate-income borrowers was significantly greater during 2013 (40.5%). When considering relevant demographic data and other contextual factors, the bank's performance in 2013 is considered excellent and is driven by the bank's strong lending to moderate-income borrowers.

On a combined basis, BRB's HMDA borrower distribution is considered reasonable. The conclusion is driven by a greater weight given to the bank's 2012 performance because of a larger dollar volume of lending originated during that year.

Distribution of Consumer Loans by Income Level of Borrower

Page County, VA NonMSA (2012)				
Income Categories	#	Consumer Loans		
		%	\$(000s)	% \$
Low	25	34.2	103	27.0
Moderate	15	20.5	58	15.2
Middle	19	26.0	151	39.5
Upper	14	19.3	70	18.3
Total	73	100.0	382	100.0
Unknown	0		0	

Percentage's (%) are calculated on all loans where incomes are known

The bank's level of consumer lending to low-income borrowers (34.2%) significantly exceeded the percentage of low-income households (19.9%) in the assessment area. The institution's lending to moderate-income borrowers (20.5%) approximates the percentage of such households (19.7%) in the assessment area. The poverty rate within the assessment area is considered as an element of the bank's performance context. According to census data from 2010, 11.8% of area households are below the poverty level. Because of the proportion of impoverished residents within the assessment area, the demographic data, especially in the case of low-income households, may somewhat overstate the level of viable loan demand. Given its level of lending to low- and moderate-income borrowers and performance context factors, the bank's consumer lending performance is considered excellent.

Geographic Distribution of Loans

Both BRB's HMDA and its consumer geographic distribution performance are considered reasonable within the assessment area. There are no low-income census tracts within the assessment area.

Distribution of HMDA Loans by Income Level of Census Tract

Page County, VA NonMSA (2012)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
	(21)				(193)			
	Home Purchase				Home Purchase			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	4.8	70	2.9	26	13.3	3,021	11.7
Middle	6	28.6	421	17.4	75	38.3	10,081	38.9
Upper	14	66.7	1,924	79.7	92	46.9	12,827	49.5
	(25)				(466)			
	Refinance				Refinance			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	4	16.0	635	18.9	102	21.9	15,478	21.8
Middle	9	36.0	695	20.7	159	34.1	22,492	31.7
Upper	12	48.0	2,028	60.4	205	44.0	32,965	46.5
	(16)				(52)			
	Home Improvement				Home Improvement			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	18.8	44	5.9	11	21.2	237	11.5
Middle	7	43.8	536	71.8	23	44.2	1,246	60.6
Upper	6	37.5	167	22.4	18	34.6	574	27.9
	(0)				(1)			
	Multi-Family				Multi-Family			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	1	100.0	65	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	8	12.9	749	11.5	139	19.5	18,736	18.9
Middle	22	35.5	1,652	25.3	258	36.2	33,884	34.2
Upper	32	51.6	4,119	63.2	315	44.3	46,366	46.9
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	62	100.0	6,520	100.0	712	100.0	98,986	100.0

NA*-Tracts without household or family income as applicable

As indicated by the preceding table, the bank originated comparable volumes of home purchase, refinance, and home improvement loans during 2012, while aggregate reporters originated significantly more refinance loans and a minimal volume of home improvement loans. From a performance perspective, the bank's home purchase lending is considered poor, while the performance for both refinance and home improvement is considered reasonable.

During 2012 overall, the bank's HMDA lending in the one moderate-income census tract (12.9%) lagged both the proportion of owner-occupied housing units located in the tract (23.3%) within the assessment area and the aggregate lending level (19.5%). Nonetheless, this performance level is considered reasonable and is driven by the level of refinance and home improvement lending. The bank's performance during 2013 is similar.

Distribution of Consumer Loans by Income Level of Census Tract

Page County, VA NonMSA (2012)				
Income Categories	#	Consumer Loans		
		%	\$(000s)	% \$
Low	NA	NA	NA	NA
Moderate	15	20.5	77	20.3
Middle	32	43.8	144	37.5
Upper	26	35.6	161	42.2
NA*	NA	NA	NA	NA
Total	73	100.0	383	100.0

**NA-Tracts without household or family income as applicable*

Loans where the geographic location is unknown are excluded from this table.

The bank's level of consumer lending in moderate-income census tracts (20.5%) is slightly lower than the percentage of households within the moderate-income census tract (26.2%), and is considered reasonable.

METROPOLITAN AREAS

(For each metropolitan area where no assessment areas were reviewed using full-scope review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN METROPOLITAN AREAS

Certain assessment areas, which are noted in the table below, were reviewed using the limited review examination procedures. Information detailing the composition of the markets, including selected demographic data, is included in **APPENDIX A** of this report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Facts and data reviewed for each assessment area, including performance and demographic information, can be found in **APPENDIX A** of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. For the lending test, the conclusion conveys whether performance in an assessment area was generally below, consistent with, or exceeded the institution's overall rating, which is rated Satisfactory.

Assessment Area	Lending Test
Charlottesville, VA MSA	Consistent
Harrisonburg, VA MSA	Below

**CRA APPENDIX A
LIMITED REVIEW TABLES**

CHARLOTTESVILLE, VA MSA

The assessment area includes all of Albemarle County and the City of Charlottesville. The bank operates one branch office in the area.

Performance Test Data for Charlottesville, VA MSA Assessment Area

Limited Review Lending Table

Charlottesville, VA MSA (2012)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase				Home Improvement			
<i>Geographic</i>	(4)				(0)			
Low	0	0.0	1.7	5.9	0	0.0	1.2	5.9
Moderate	0	0.0	13.3	20.6	0	0.0	20.2	20.6
Middle	3	75.0	46.6	35.3	0	0.0	45.6	35.3
Upper	1	25.0	38.5	35.3	0	0.0	32.9	35.3
	Refinance				Multi-Family			
<i>Geographic</i>	(0)				(1)			
Low	0	0.0	1.1	5.9	0	0.0	26.1	5.9
Moderate	0	0.0	10.9	20.6	1	100.0	21.7	20.6
Middle	0	0.0	43.4	35.3	0	0.0	34.8	35.3
Upper	0	0.0	44.6	35.3	0	0.0	17.4	35.3
	HMDA Totals				Consumer			
<i>Geographic</i>	(5)				(1)			
Low	0	0.0	1.3	5.9	0	0.0	NA	5.5
Moderate	1	20.0	12.1	20.6	0	0.0	NA	19.8
Middle	3	60.0	44.5	35.3	1	100.0	NA	39.5
Upper	1	20.0	42.1	35.3	0	0.0	NA	35.1
<i>Borrower</i>	(3)				(1)			
Low	2	66.7	7.5	20.0	0	0.0	NA	24.8
Moderate	0	0.0	18.5	16.0	1	100.0	NA	15.4
Middle	0	0.0	22.9	19.7	0	0.0	NA	17.4
Upper	1	33.3	51.1	44.3	0	0.0	NA	42.4

Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known

Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known

NA represents no activity in the income category

While the volume of lending is limited, the borrower and geographic distribution performance for HMDA and consumer lending is consistent with that of the full-scope assessment area.

HARRISONBURG, VA MSA

The bank now operates two branch offices within this assessment area, after recently opening a new branch (April 2014). The assessment area includes all of the City of Harrisonburg and Rockingham County. There are no low-income census tracts in the Harrisonburg, VA MSA assessment area.

Performance Test Data for Harrisonburg, VA MSA Assessment

Limited Review Lending Table

Harrisonburg, VA MSA (2012)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase				Home Improvement			
<i>Geographic</i>	(3)				(2)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	33.3	6.7	13.3	0	0.0	7.8	13.3
Middle	0	0.0	65.0	66.7	0	0.0	68.6	66.7
Upper	2	66.7	28.3	20.0	2	100.0	23.5	20.0
	Refinance				Multi-Family			
<i>Geographic</i>	(2)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	6.6	13.3	0	0.0	23.1	13.3
Middle	2	100.0	65.0	66.7	0	0.0	76.9	66.7
Upper	0	0.0	28.4	20.0	0	0.0	0.0	20.0
	HMDA Totals				Consumer			
<i>Geographic</i>	(7)				(16)			
Low	NA	NA	NA	NA	NA	NA	NA	0.0
Moderate	1	14.3	6.8	13.3	0	0.0	NA	13.1
Middle	2	28.6	65.2	66.7	9	56.3	NA	68.2
Upper	4	57.1	28.0	20.0	7	43.7	NA	18.7
<i>Borrower</i>	(7)				(16)			
Low	0	0.0	7.7	18.1	8	50.0	NA	23.5
Moderate	1	14.3	21.0	20.3	5	31.2	NA	16.3
Middle	3	42.9	25.5	21.8	2	12.5	NA	19.3
Upper	3	42.8	45.8	39.8	1	6.3	NA	40.9

Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known

Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known

NA represents no activity in the income category

Though based on limited lending volume, the geographic distribution of lending is considered reasonable within the market, while the borrower distribution is considered poor, and on a combined distribution basis, the bank's lending is considered poor.

CRA APPENDIX B

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices, along with deposit and loan volume. The deposit volume includes all bank deposits as of June 30, 2013, while the loan volume includes all HMDA loans extended during 2012 and 2013 and all consumer unsecured loans extended during 2012.

Assessment Area	Combined HMDA and Consumer Unsecured Loan Volume				Full Service Branches		Deposit Volume	
	#	%	\$(000s)	%	#	%	\$(000s)	%
Page County, VA NonMSA	176	73.6%	\$11,199	45.7%	2	40%	\$119,700	73%
Charlottesville, VA MSA	35	14.6%	\$8,142	33.2%	1	20%	\$36,825	22.5%
Harrisonburg, VA MSA	28	11.7%	\$5,164	21.1%	2	40%	\$7,430	4.5%
Total	239	100%	\$24,505	100%	5	100%	\$163,955	100%

CRA APPENDIX C GLOSSARY

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

Census tract: 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 statistical 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: All Agencies have adopted the following language. 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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 householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending Test (and if applicable, consideration of investments and services) is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance under the Lending Test (and if applicable, consideration of investments and services) is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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.

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.