

PUBLIC DISCLOSURE

January 27, 2014

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

First Capital Bank
2742153

4222 Cox Road
Suite 200
Glen Allen, Virginia 23060

**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: First Capital Bank is rated "**SATISFACTORY.**"

The following table indicates the performance level of First Capital Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>First Capital Bank</u>		
	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 in determining the overall rating.

The major factors supporting the institution's rating include:

- Lending activity overall is consistent with the bank's capacity and market presence.
- An adequate percentage of the institution's combined Home Mortgage Disclosure Act (HMDA) and small business loans were originated within the bank's assessment area.
- The bank's geographic distribution performance ranges from good to excellent by loan product and year. Overall, the bank's geographic distribution performance is good.
- The bank's borrower distribution performance ranges from poor to excellent by business line and year across its assessment area. In general, the bank's small business performance tended to be stronger than its HMDA performance. Despite the variation in performance, the bank's overall borrower distribution performance is good.
- During the evaluation period, the bank reported an adequate level of community development lending within its assessment area.

- The bank maintains an adequate level of qualified community development investments when considering available opportunities.
- Delivery systems and branch locations are accessible to all segments of the assessment area reviewed.
- An adequate level of community development services throughout the institution's numerous assessment areas was identified.

INSTITUTION

SCOPE OF EXAMINATION

While eligible to be evaluated as an intermediate small bank, First Capital Bank (FCB) voluntarily collects and reports CRA data; and therefore, elected to be evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC) for large institutions. Consistent with these procedures, data for Home Mortgage Disclosure Act (HMDA), small business, and small business secured by real estate lending activity collected by the institution from January 1, 2011, through December 31, 2012, was reviewed. The bank did not report any small farm loans during the evaluation period.

Qualified community development loans that were originated or renewed from December 5, 2011, the date of the most recent CRA evaluation, through the evaluation date are considered for this evaluation. All qualified community development services provided since the previous evaluation, and all qualified investments made during this same period, and those outstanding as of the evaluation, regardless of when made, were also considered.

To help determine the availability of community development opportunities in the assessment area, the CRA public evaluations of other financial institutions operating in the area were reviewed. Also, a member of the community was contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment area, as well as potential community development opportunities.

DESCRIPTION OF INSTITUTION

FCB is headquartered in Glen Allen, Virginia, and operates seven branches in the City of Richmond and the counties of Chesterfield, Hanover and Henrico. The bank is a subsidiary of First Capital Bancorp Inc., a single bank holding company also headquartered in Glen Allen, Virginia. Other than its affiliation with the holding company, the bank has no affiliates or subsidiaries. The bank has not opened or closed any branches since the prior evaluation.

As of September 30, 2013, the bank had assets of \$536.3 million, of which 76.4% were net loans and 14.8% were securities. As of the same date, deposits totaled \$450.1 million. Various deposit and loan products are available through the institution including loans for residential mortgage, consumer, and business purposes. The composition of the loan portfolio (using gross loans) as of September 30, 2013, is depicted in the following table:

Composition of Loan Portfolio

Loan Type	9/30/2013	
	\$(000s)	%
Secured by 1-4 Family dwellings	104,576	25.0
Multifamily	37,189	8.9
Construction and Development	62,875	15.0
Commercial & Industrial/ NonFarm NonResidential	211,957	50.6
Consumer Loans and Credit Cards	1,894	0.5
Agricultural Loans/ Farmland	0	0.0
All Other	0	0.0
Total	418,491	100.0

As reflected in the preceding table, commercial and industrial/nonfarm nonresidential and loans secured by one- to four-family dwellings represent the largest loan types within the bank's loan portfolio. These composition percentages correspond to the number of loans recently extended by the bank which led to the selection of HMDA and small business loans for inclusion in the evaluation.

The bank received a Satisfactory rating at the previous CRA evaluation dated December 5, 2011. Based on its financial capacity, there are no significant limitations on the bank's ability to meet credit needs within the communities it serves.

DESCRIPTION OF RICHMOND, VA MSA ASSESSMENT AREA

FCB's assessment area is located in central Virginia and includes the City of Richmond and the counties of Chesterfield, Hanover, and Henrico in their entirety. The bank operates all seven branches within the Richmond, Virginia Metropolitan Statistical Area (MSA), but the assessment area includes only a portion of the entire MSA. As of June 30, 2013, FCB ranked 9th out of 33 financial institutions in local deposit market share having .6% of the assessment area's available FDIC insured deposits (credit union deposits are not reflected in the deposit market share).

According to 2000 census information, the assessment area had a population of 806,313 and a median housing value of \$118,745. The owner-occupancy rate for the market equaled 63.4% which was slightly lower than the MSA rate (64.6%) and substantially similar to the commonwealth's rate (63.3%). Within the assessment area, 6.5% of families were considered below the poverty level. This rate was lower than rates for the MSA (6.9%) and Virginia (7%). The 2011 median family income for the Richmond, Virginia MSA equals \$74,600. The following table includes pertinent demographic data for the assessment area based on census data from 2000 and D&B data from 2011.

Assessment Area Demographics

Richmond, VA MSA (Based on 2000 Census Boundaries and 2011 D&B information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	19	9.4	11,627	5.5	4,302	37.0	37,702	17.8
Moderate	40	19.8	34,058	16.1	4,451	13.1	35,816	17.0
Middle	83	41.1	87,245	41.3	3,701	4.2	47,341	22.4
Upper	60	29.7	78,363	37.1	1,273	1.6	90,434	42.8
NA	0	0.0	0	0.0	0	0.0		
Total	202	100.0	211,293	100.0	13,727	6.5	211,293	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	6,035	2.8	19,141	6.0	6,822	35.6	65,480	20.6
Moderate	26,196	12.3	57,807	18.2	9,140	15.8	53,950	17.0
Middle	92,487	43.6	134,476	42.3	8,619	6.4	61,303	19.3
Upper	87,514	41.2	106,123	33.4	3,647	3.4	136,814	43.1
NA	0	0.0	0	0.0	0	0.0		
Total	212,232	100.0	317,547	100.0	28,228	8.9	317,547	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	4,315	7.3	3,627	6.7	438	12.6	250	12.0
Moderate	7,857	13.2	6,906	12.8	638	18.3	313	15.1
Middle	23,848	40.2	21,641	40.2	1,353	38.8	854	41.1
Upper	23,358	39.3	21,638	40.2	1,059	30.4	661	31.8
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	59,378	100.0	53,812	100.0	3,488	100.0	2,078	100.0
	Percentage of Total Businesses:			90.6		5.9		3.5

*NA-Tracts without household or family income as applicable

According to 2010 census, the assessment area population has increased and now totals 927,248. Similarly, the median housing value also increased and equals \$235,305. The owner-occupancy rate for the assessment area is 61.6% which is slightly lower than the MSA rate (62.7%) and substantially similar to the commonwealth's rate (61.8%). Within the assessment area, 7.7% of families are considered below the poverty level, which is similar to the rates for both the MSA (7.5%) and the Commonwealth of Virginia (7.2%). The 2012 median family income for the Richmond, Virginia MSA equals \$75,600. The following table includes pertinent demographic data for the assessment area based on census data from 2010 and D&B data from 2012.

Assessment Area Demographics

Richmond, VA MSA									
<i>(Based on 2010 ACS Boundaries and 2012 D&B information)</i>									
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low	22	9.8	15,539	6.7	5,791	37.3	45,367	19.6	
Moderate	50	22.3	41,133	17.8	5,151	12.5	39,211	17.0	
Middle	72	32.1	77,759	33.6	4,622	5.9	47,681	20.6	
Upper	79	35.3	96,707	41.8	2,281	2.4	98,879	42.8	
NA	1	0.4	0	0.0	0	0.0			
Total	224	100.0	231,138	100.0	17,845	7.7	231,138	100.0	
	Owner Occupied Units by Tract		Households						
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income		
	#	%	#	%	#	%	#	%	
Low	9,000	3.8	27,069	7.7	9,371	34.6	77,229	21.8	
Moderate	34,548	14.6	72,949	20.6	10,308	14.1	58,528	16.5	
Middle	83,631	35.2	119,270	33.7	10,090	8.5	65,602	18.5	
Upper	110,225	46.4	134,495	38.0	6,210	4.6	152,424	43.2	
NA	0	0.0	0	0.0	0	0.0			
Total	237,404	100.0	353,783	100.0	35,979	10.2	353,783	100.0	
	Total Businesses by Tract		Businesses by Tract and Revenue Size						
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported		
	#	%	#	%	#	%	#	%	
Low	3,159	5.4	2,649	5.0	380	11.1	130	6.1	
Moderate	10,760	18.5	9,494	18.1	754	22.0	512	24.2	
Middle	19,769	34.0	17,874	34.0	1,195	34.8	700	33.1	
Upper	24,364	41.9	22,507	42.8	1,086	31.7	771	36.4	
NA	40	0.1	21	0.0	14	0.4	5	0.2	
Total	58,092	100.0	52,545	100.0	3,429	100.0	2,118	100.0	
	Percentage of Total Businesses:			90.5		5.9		3.6	

*NA-Tracts without household or family income as applicable

A variety of employment opportunities exist in the local area, including state and local government, educational and medical facilities, financial institutions, and manufacturing firms. Additionally, many residents of the assessment area commute throughout the greater Richmond metropolitan area for employment. The top private employers within the Richmond area include: Virginia Commonwealth University, Capital One Financial Corp., HCA Inc., Wal-Mart Stores, Dominion Resources, Bon Secours Richmond Health Systems, and Altria Group. Quarterly unemployment rates since the previous CRA evaluation are presented by county and for the MSA and commonwealth in the following table.

Unemployment Rate Trend									
Geographic Area	Dec 2011	Mar 2012	June 2012	Sept 2012	Dec 2012	Mar 2013	June 2013	Sept 2013	Nov 2013
City of Richmond	8.8%	8.2%	9%	8.3%	8.1%	7.4%	8.2%	7.6%	7.3%
Chesterfield County	5.9%	5.8%	6%	5.4%	5.4%	5.1%	5.8%	5.2%	4.9%
Hanover County	5.6%	5.6%	5.8%	5.3%	5.4%	4.6%	5.4%	4.8%	4.5%
Henrico County	5.9%	5.7%	5.9%	5.5%	5.3%	4.8%	5.6%	5.1%	4.7%
Richmond MSA	6.7%	6.5%	6.7%	6.1%	6%	5.6%	6.3%	5.7%	5.4%
Commonwealth of Virginia	6.1%	6%	6.2%	5.7%	5.5%	5.2%	5.9%	5.3%	5%

Despite some slight fluctuations, area unemployment rates have generally trended downward since the bank's previous evaluation in December 2011. When compared to corresponding unemployment rates for the commonwealth and the MSA, with the exception of the City of Richmond, unemployment rates in the bank's assessment area tend to be about the same.

A representative from a local nonprofit organization was contacted to discuss local economic conditions and the credit needs of the community. According to the contact, affordable housing is a primary need for the area. The contact indicated that various local financial institutions have been supportive of the organization's affordable housing projects through the provision of financial expertise and donations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Following the FFIEC's procedures, lending test performance accounts for half of the overall rating, while the investment and service tests are equally weighted, and each account for one-quarter of the overall rating.

LENDING TEST

When evaluating the bank's performance, relevant area demographic data from the 2000 and 2010 census are used as proxies for demand. Data from the 2000 census is considered when evaluating the bank's lending performance during 2011, while data from the 2010 census is utilized when evaluating the bank's 2012 performance. Dun & Bradstreet (D&B) business demographic data from 2011 and 2012 are also used to gauge demand when evaluating the bank's performance. Finally, aggregate HMDA and small business data from 2011 and 2012 are considered when evaluating the bank's performance for each year.

While aggregate HMDA and small business loan data from calendar years 2011 and 2012 were fully analyzed and considered in the evaluation, only bank and aggregate data from 2012 are presented in the assessment area analysis tables. In instances where the 2011 performance varies significantly from the performance noted during 2012, such variance and the corresponding impact on the overall performance are discussed.

Within FCB's assessment area, a high volume of small business lending activity is noted for specialized lenders who tend to originate small business loans in the form of credit cards. These loans, however, tend to be much smaller in size than traditional small business bank loans. Not only do such loans tend to be smaller, but when included in the aggregate, these reporters often tend to depress the proportion of reported loans to businesses with revenues of \$1 million or less because many of the loans reported by these card lenders do not include revenue information. These factors were considered as an aspect of performance context when evaluating the level and distribution of small business lending.

When evaluating the geographic and the borrower distribution of loans, primary consideration is given to the number (and corresponding percentage) of loans when assessing performance for individual loan types. When combining multiple loan products to arrive at an overall conclusion, the level of performance of each product is weighted primarily by the dollar volume that the product contributes to the overall activity considered in the evaluation. As a result, small business lending is afforded more weight than the bank's HMDA lending.

Overall, the bank's lending test is rated high satisfactory based on its lending activity, lending in its assessment area, geographic and borrower lending distribution performance, and community development lending. The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

Lending Activity:

A bank's loan-to-deposit ratio is one measure of its lending activity relative to its capacity. FCB's quarterly average loan-to-deposit ratio for the eight-quarter period ending September 30, 2013, equaled 85% and ranged from 81.2% to 91.1%. As of September 30, 2013, the institution's loan-to-deposit ratio equaled 91.1%. In comparison, the average of quarterly loan-to-deposit ratios for all banks headquartered in metropolitan areas of Virginia and of similar asset size to First Capital Bank ranged from 76.4% to 79.8% for a recent eight-quarter period ending in September 30, 2013.

Since September 30, 2011, assets, loans, and deposits have increased by .2%, 12.7% and 3.3%, respectively. Within the context of the CRA and considering relevant performance context factors such as bank size, financial condition, and local area credit needs, the bank's lending level is considered responsive to the credit needs of the bank's assessment area.

Assessment Area Concentration:

Loan data includes all bank originations and purchases of HMDA, small business and small business secured by real estate loans from January 1, 2011, through December 31, 2012. The data do not include large commercial loans (loan amounts in excess of \$1 million) or any other loan type not specified.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	64	66.0	11,816	58.6	33	34.0	8,361	41.4
Home Improvement	9	60.0	1,674	74.6	6	40.0	571	25.4
Refinancing	117	38.1	28,631	34.8	190	61.9	53,743	65.2
Multi-Family Housing	19	100.0	18,289	100.0	0	0.0	0	0.0
Total HMDA related	209	47.7	60,410	49.1	229	52.3	62,675	50.9
Small Business	472	93.3	93,113	94.4	34	6.7	5,545	5.6
Small Bus - Secured by Real Estate	148	85.5	27,395	77.1	25	14.5	8,115	22.9
TOTAL LOANS	829	74.2	180,918	70.3	288	25.8	76,335	29.7

During the review period, the bank's mortgage division engaged in the origination, and subsequent sale in the secondary market, of a sizable volume of brokered loans. Many of these loans were to customers outside of the bank's assessment area. This activity accounts for the comparatively smaller volume of bank HMDA lending in the assessment area relative to the bank's small business lending. The bank has since ceased its wholesale mortgage operation.

An adequate percentage of the number (74.2%) and the dollar amount (70.3%) of the loans considered in the evaluation have been provided to residents and businesses within the bank's assessment area. This conclusion was influenced by the low level of refinance lending in the assessment area. It is noted that the sale of the primarily out-of-assessment area loans provided funding for the wholesale operation and thus did not require the use of deposited funds.

Geographic Distribution:

When considering the bank's performance by loan product, its geographic distribution performance is excellent for HMDA and good for small business loans. Overall, geographic performance is considered good.

Distribution of HMDA Loans by Income Level of Census Tract

Richmond, VA MSA (2012)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(46)				Home Purchase (16,681)			
Low	2	4.3	268	3.2	354	2.1	35,120	1.0
Moderate	16	34.8	1,653	19.8	2,108	12.6	260,935	7.6
Middle	14	30.4	2,334	28.0	5,535	33.2	910,293	26.6
Upper	14	30.4	4,092	49.0	8,684	52.1	2,220,600	64.8
	(95)				Refinance (31,965)			
Low	0	0.0	0	0.0	455	1.4	51,281	0.8
Moderate	10	10.5	1,715	6.9	2,803	8.8	389,772	5.9
Middle	10	10.5	1,676	6.7	9,296	29.1	1,582,564	24.1
Upper	75	78.9	21,544	86.4	19,411	60.7	4,555,134	69.2
	(9)				Home Improvement (1,400)			
Low	1	11.1	35	2.1	53	3.8	2,795	2.5
Moderate	2	22.2	155	9.3	213	15.2	7,928	7.0
Middle	2	22.2	194	11.6	521	37.2	32,450	28.5
Upper	4	44.4	1,290	77.1	613	43.8	70,591	62.1
	(8)				Multi-Family (79)			
Low	0	0.0	0	0.0	10	12.7	77,949	13.8
Moderate	0	0.0	0	0.0	19	24.1	151,287	26.7
Middle	2	25.0	4,020	56.3	29	36.7	180,433	31.8
Upper	6	75.0	3,120	43.7	21	26.6	157,180	27.7
	HMDA Totals							
Low	3	1.9	303	0.7	872	1.7	167,145	1.6
Moderate	28	17.7	3,523	8.4	5,143	10.3	809,922	7.6
Middle	28	17.7	8,224	19.5	15,381	30.7	2,705,740	25.3
Upper	99	62.7	30,046	71.4	28,729	57.3	7,003,505	65.5
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	158	100.0	42,096	100.0	50,125	100.0	10,686,312	100.0

NA*-Tracts without household or family income as applicable

Within the assessment area, refinance loans were extended most frequently by the bank and the aggregate reporters. The bank's refinance loan performance is considered adequate, while its home purchase and home improvement performance is excellent relative to the aggregate. Because of its larger volume, performance associated with the bank's refinance lending is given more weight when considering the combined product performance.

During 2012, the bank's lending in low-income census tracts (1.9%) lagged the percentage of owner-occupied housing units (3.8%) located in such areas, but slightly exceeded the aggregate lending level (1.7%). Lending in moderate-income census tracts (17.7%) exceeded the percentage of owner-occupied housing units (14.6%) located in such areas and the aggregate lending level (10.3%). The bank's performance during 2012 is considered excellent, due to the strong performance of lending in moderate-income geographies. FCB's performance in 2011 is similar.

Distribution of Small Business Loans by Income Level of Census Tract

(Bank lending includes both Small Business and Small Business secured by Real Estate)

Richmond, VA MSA (2012)									
Income Categories	Bank					Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$	
Low	19	6.0	3,892	6.6	872	5.2	67,738	8.4	
Moderate	48	15.1	11,518	19.6	2,596	15.6	139,319	17.3	
Middle	109	34.3	17,999	30.7	5,394	32.4	250,540	31.2	
Upper	142	44.6	25,271	43.1	7,800	46.7	344,437	43.0	
NA*	0	0.0	0	0.0	11	0.1	1,323	0.1	
Total	318	100.0	58,680	100.0	16,673	100.0	803,357	100.0	

*NA-Tracts without household or family income as applicable

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

D&B data indicate that 5.4% and 18.5% of all area businesses are located in low-and moderate-income tracts, respectively. As shown in the preceding table, bank lending in 2012 to businesses in both low-and moderate-income tracts was comparable to the aggregate lending levels and is considered good. When compared to the corresponding D&B demographic demand proxies, FCB's level of lending exceeded the percentage of businesses in low-income tracts and was comparable to the percentage in moderate-income tracts. The bank's performance during 2012 is considered good and its performance during 2011 is substantially similar.

Distribution by Borrower Income and Revenue Size of the Business:

The bank's borrower distribution performance for HMDA loans is adequate, while the small business borrower distribution performance is excellent. On a combined basis, the bank's borrower distribution performance is considered good. In reaching this conclusion, more weight is placed on the bank's small business lending performance because of the larger relative volume of such lending. HMDA loans that do not contain borrower income data are not included the borrower distribution analysis.

Distribution of HMDA Loans by Income Level of Borrower

Richmond, VA MSA (2012)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
HMDA Totals								
Low	8	6.8	1,047	3.5	4,029	9.7	428,385	5.1
Moderate	15	12.8	2,753	9.3	8,909	21.4	1,270,003	15.2
Middle	20	17.1	3,486	11.8	9,976	23.9	1,818,780	21.7
Upper	74	63.3	22,210	75.4	18,801	45.0	4,847,096	58.0
Total	117	100.0	29,496	100.0	41,715	100.0	8,364,264	100.0
Unknown	41		12,600		8,410		2,322,048	

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

During 2012, the bank's lending to low-income borrowers (6.8%) lagged both the percentage of area low-income families (19.6%) and the aggregate level of lending (9.7%) to such borrowers, but is considered adequate. FCB's lending to moderate-income borrowers (12.8%) also lagged the percentage of such area families (17%), and the aggregate lending level (21.4%), but nonetheless is considered to be at the lower end of the range for adequate performance. The bank's 2012 performance is considered adequate.

During 2011, the bank's originated 17 loans totaling \$3.9 million when borrower income was known. Of these, the bank did not extend any loans to low-income borrowers and only three loans (17.6%), totaling \$489,000, to moderate-income borrowers. Based on the 2000 census data, 17.8% of families were considered low-income, while 17% of families were considered moderate-income within the assessment area. FCB's lending to moderate-income borrowers approximated the percentage of such area families but lagged the aggregate lending level (21.8%). This level of lending is considered poor.

When considering both the relative size and strength of the bank's performance during 2011 and 2012, its overall HMDA lending performance is considered adequate.

Distribution of Lending by Loan Amount and Size of Business

(Bank lending includes both Small Business and Small Business secured by Real Estate)

Richmond, VA MSA (2012)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
\$1 Million or Less	209	65.7	34,863	59.4	6,624	38.2	284,776	35.1
Over \$1 Million	97	30.5	21,773	37.1	NA	NA	NA	NA
Unknown	12	3.8	2,044	3.5	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	171	53.8	10,310	17.6	15,771	90.9	208,166	25.6
\$100,001-\$250,000	74	23.3	12,465	21.2	679	3.9	121,694	15.0
\$250,001-\$1 Million	73	23.0	35,905	61.2	896	5.2	481,858	59.4
Total	318	100.0	58,680	100.0	17,346	100.0	811,718	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

According to D&B data, 90.5% of all local businesses have revenues that do not exceed \$1 million per year. During 2012, 38.2% of reported loans were to businesses with annual revenues of \$1 million or less. The remaining loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. As part of performance context, the aggregate data was also considered after excluding certain specialty lenders. Of the remaining small business loans originated by traditional bank lenders, 47.4% were made to businesses having annual revenues of \$1 million or less. During 2012, 65.7% of bank lending was to businesses with annual revenues of \$1 million or less. The bank's small business lending during 2012 is considered excellent. The bank's small business lending during 2011 was substantially similar.

Community Development Lending:

Information from individuals knowledgeable of the local market area and review of the performance evaluations of other financial institutions having a local presence indicate that a variety of community development opportunities are available within this assessment area. Given its current loan-to-deposit ratio (91.1%), the bank's capacity for additional lending, including community development lending, is not constrained.

Since the previous evaluation, the bank originated the following community development loans within this assessment area:

- Two loans totaling \$550,586 were extended to an organization that assists low- and moderate-income youth by providing after school mentoring programs, counseling, and other community services.

The community development lending activity by the bank is adequate when considering its capacity and available opportunities.

INVESTMENT TEST

The bank maintains an adequate level of qualified investments with the assessment area in the context of both the bank's capacity and available opportunities. As of September 30, 2013, the institution reported approximately \$536.3 million in total assets and held \$79.3 million in securities. As of the date of the evaluation, FCB held approximately \$1.5 million in qualified investments. The bank also bought and sold two other qualified investments totaling \$1.5 million during the evaluation period. Thus, \$3 million in qualified investments were considered for this evaluation. In addition, the bank made \$4,500 in qualified donations to local organizations that provide affordable housing, services to low- and moderate-income individuals, or promote economic development. Qualified community development investments include the following:

- \$2 million in mortgage backed securities from the Virginia Housing Development Authority (VHDA). The VHDA promotes affordable housing by financing single-family and multi-family mortgages for low- and moderate-income individuals throughout the Commonwealth of Virginia including FCB's assessment area.
- A bond issued by Fannie Mae totaling \$1 million. The bond is backed by a pool of mortgage loans extended primarily to low- and moderate-income borrowers and geographies within the bank's assessment area.

SERVICE TEST

The bank's overall performance under the service test is rated low satisfactory. Systems for delivering retail banking services are accessible to essentially all portions of the assessment area, including low-income areas. Opportunities to provide community development services are available, and the bank and its employees support Junior Achievement by volunteering at local schools to provide financial education.

Retail Services:

Delivery systems, branch locations, and hours of operation are considered accessible and convenient to all portions of the assessment area. Automatic-teller-machines (ATMs) are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-mail and bank-by-computer services are also offered by the institution. In addition, the institution provides customers with 24-hour telephone access to their accounts through an automated system.

The institution operates seven full-service branches within the assessment area, of which two (25%) are located in moderate-income tracts. In 2011, one (14.3%) of these offices was located in a low-income census tract in 2011 according to the 2000 census (for that census year, 6.0% of all area households were located in low-income census tracts). Based upon the 2010 census, 7.7% of area households are in low-income tracts while 20.6% are located in moderate-income census tracts. The bank's remaining branches are located in middle- and upper-income census tracts.

Branch offices are generally open until 6:00pm Monday through Friday. A few branch offices are also open until noon on Saturdays. Business hours are considered convenient and meet the needs of the assessment area.

Community Development Services:

During the evaluation period, FCB employees taught financial literacy through various Junior Achievement programs at five different schools within the bank's assessment area. Junior Achievement is the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs. A majority of the students from each school are from low- and moderate-income families.

The institution also continues to offer no-cost checking products to individuals as well as low-cost checking to businesses within the community. These accounts can benefit all segments of the community including low- and moderate-income individuals and small businesses.

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.

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, Investment, and Service Tests 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, Investment, and Service Tests 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.