PUBLIC DISCLOSURE

July 9, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Central Virginia Bank
436823

P. O. Box 39
Powhatan, Virginia 23139-0039

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: Central Virginia Bank is rated "**SATISFACTORY**."

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

PERFORMANCE LEVELS	**CENTRAL VIRGINIA BANK** **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 is consistent with the bank's capacity and reflects adequate responsiveness to the credit needs of the assessment area.
- A majority of the number and dollar volume of the institution's small business and Home Mortgage Disclosure Act (HMDA) loans considered in the evaluation were originated within the bank's assessment area.
- The bank's overall lending to low- and moderate-income borrowers and small businesses/farms having revenues of $1 million or less is considered good for period reviewed.
- The bank's geographic distribution performance is considered excellent.
- Although not considered a critical deficiency, the bank extended no community development loans during the review period.
- The bank maintains an adequate level of qualified community development investments when considering available opportunities.
- Delivery systems and branch locations are readily accessible to all segments of the bank's assessment area and bank employees support an adequate number of organizations that provide community development.
- There have been no complaints regarding the bank's CRA performance since the previous CRA evaluation.

INSTITUTION

SCOPE OF EXAMINATION

While eligible to be evaluated as an intermediate small bank, Central Virginia Bank (CVB) elected to be evaluated as a large bank using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC) for institutions with assets of $1 billion or more. Following these procedures, HMDA and small business lending reported by the institution from January 1, 2010 through December 31, 2011, was reviewed.

During 2010 and 2011, the bank reported originating three small farm loans totaling $87,000. Given the limited volume of such lending by the bank and that the bank originated no small farm loans in 2011, small farm loans are not included in the assessment area performance evaluation.

Qualified community development loans, investments, and services are considered for activities since the previous evaluation (April 26, 2010). All qualified investments outstanding as of the examination date were also considered regardless of when made.

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

DESCRIPTION OF INSTITUTION

CVB is headquartered in Powhatan, Virginia and operates seven full-service branch offices in the Counties of Powhatan, Cumberland, Chesterfield, and Henrico, Virginia. The bank has not sold or closed any branch locations since the prior evaluation. The institution is a subsidiary of Central Virginia Bankshares, Inc. a single-bank holding company headquartered in Powhatan, Virginia. CVB received a satisfactory rating at its previous CRA evaluation dated April 26, 2010. No known legal impediments exist that would prevent the bank from meeting the credit needs in its assessment area.

As of March 31, 2012, the bank held assets totaling approximately $390.4 million, of which 52.3% were net loans and 32.2% were securities. Various deposit and loan products are available through the institution including loans secured by residential properties, consumer loans, and business purpose. It should be noted that the bank ceased to offer consumer first deed of trust residential mortgage loans in December of 2010. The composition of the loan portfolio, using gross loans as of March 31, 2012, is represented in the following table:

Composition of Loan Portfolio

Loan Type	3/31/2012	
	$(000s)	%
Secured by 1-4 Family dwellings	85,587	40.2
Multifamily	871	0.4
Construction and Development	40,699	19.1
Commercial & Industrial/ NonFarm NonResidential	80,357	37.7
Consumer Loans and Credit Cards	3,591	1.7
Agricultural Loans/ Farmland	1,253	0.6
All Other	789	0.4
Total	***213,147***	***100.0***

As indicated in the preceding table, the bank is an active commercial/small business and residential secured lender. The bank additionally offers other loan products, such as consumer and farm loans; however, the volume of such lending is relatively small in comparison to the commercial/small business and residential secured lending.

DESCRIPTION OF RICHMOND, VA MSA ASSESSMENT AREA

CVB serves one assessment area within the Richmond, VA Metropolitan Statistical Area (MSA). The following table reflects the counties and tracts which comprise the assessment area.

Assessment Area(s)	City/County	St	Geographies	Tracts
Richmond, VA Metropolitan Assessment Area*	Cumberland County	VA	All	All
	Goochland County	VA	All	All
	Powhatan County	VA	All	All
	Henrico County	VA	Portions	2001.12 - 2001.24
	Chesterfield County	VA	Portions	1009.02, 1009.12 - 1009.21, 1009.24 - 1010.03, 1010.05 - 1010.08

** Counties in assessment area are contiguous*

As of June 30, 2011, CVB was ranked 9th out of 31 financial institutions for local deposit share according to data compiled by the Federal Deposit Institution Corporation. The bank's portion of deposits in the assessment area is .7% (credit union deposits are excluded from the FDIC report). According to the 2000 census, the area has a population of 205,262 and a median housing value of $150,542. The owner-occupancy rate of 78.5% for the assessment area exceeds the rates for the MSA (64.6%) and the Commonwealth of Virginia (63.3%). The overall family poverty rate of the assessment area is 2.6%, which is less than both the MSA rate (6.9%) and the commonwealth rate (7%). The 2010 and 2011 median family incomes for the Richmond, VA MSA were $73,900 and $74,600, respectively.

The following table provides demographic data for the assessment area by income level of families, the type and distribution of housing units, and Dun and Bradstreet (D&B) business data from 2010.

Assessment Area Demographics

Richmond, VA MSA									
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	5,068	8.9
Moderate	2	4.7	2,482	4.4	296	11.9	6,683	11.8
Middle	12	27.9	13,904	24.5	615	4.4	11,699	20.6
Upper	29	67.4	40,311	71.1	563	1.4	33,247	58.6
NA	0	0.0	0	0.0	0	0.0		
Total	*43*	*100.0*	*56,697*	*100.0*	*1,474*	*2.6*	*56,697*	*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	7,790	10.4
Moderate	2,723	4.4	3,512	4.7	567	16.1	8,851	11.8
Middle	14,837	24.2	18,850	25.2	1,062	5.6	12,871	17.2
Upper	43,840	71.4	52,360	70.1	1,168	2.2	45,210	60.5
NA	0	0.0	0	0.0	0	0.0		
Total	*61,400*	*100.0*	*74,722*	*100.00*	*2,797*	*3.7*	*74,722*	*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	632	5.0	591	5.2	23	3.8	18	3.3
Middle	3,006	24.0	2,727	23.9	154	25.5	125	23.2
Upper	8,911	71.0	8,089	70.9	427	70.7	395	73.4
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	*12,549*	*100.0*	*11,407*	*100.0*	*604*	*100.0*	*538*	*100.0*
Percentage of Total Businesses:				90.9		4.8		4.3

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

The bank operates within the central portion of Virginia and the local economy benefits from a diverse mixture of industries. The primary industries are state and local government, retail trade, construction, health care and social assistance, management companies and enterprises, as well as finance and insurance. Residents often commute throughout the area for jobs within these industries. The assessment area benefits from its proximity to the capital of the Commonwealth of Virginia, Richmond. Some of the major employers within this region are Virginia Commonwealth University (including VCU Health System), Bon Secours Health System, Anthem, Capital One, Philip Morris USA, E.I. DuPont DeNemours and Company, CarMax, as well as state and local governments. Current and recent periodic unemployment rates are included in the following table:

Unemployment Rate Trend								
Geographic Area	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
Cumberland County	7.5%	7.8%	7.6%	7.5%	7.6%	6.3%	7.7%	6.9%
Goochland County	6%	6%	5.6%	5.5%	5.3%	5.2%	5.2%	5.3%
Powhatan County	7.2%	6.2%	5.6%	5.7%	6%	5.9%	5.7%	5.5%
Henrico County	6.8%	6.6%	6.4%	6.2%	6.3%	6.3%	5.7%	5.5%
Chesterfield County	6.9%	6.6%	6.4%	6.3%	6.3%	6.2%	5.8%	5.6%
Richmond, VA MSA	7.8%	7.5%	7.2%	7%	7.1%	7%	6.5%	6.2%
Commonwealth of Virginia	7%	6.6%	6.4%	6.3%	6.5%	6.3%	5.9%	5.7%

As indicated by the data included in the preceding table, the unemployment rates for the counties within the assessment area have generally been trending downward during the most recent two-year period. While employment opportunities are improving, area unemployment rates remain elevated and still reflect the effect of the national economic recession.

A local economic development official was contacted during the examination to discuss economic conditions impacting businesses. The contact stated the economy in Chesterfield County is stable, in part, due to the county's ability to offer incentives to companies to establish or increase their presence within the county. He indicated that there is a need for financial institutions to be able to address international transaction needs, as well as address the credit needs for existing businesses and startup companies through access to working capital. Further, he stated that businesses and entrepreneurial individuals are finding it difficult to access credit, and this could be filled by partnerships between financial institutions and the county.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

Based upon CVB's lending activity and loan distribution, the lending test is rated high satisfactory. Proxies for demand used to evaluate the bank's performance include area demographic data, Dun and Bradstreet (D&B) business data, and market aggregate information. Aggregate data includes CVB and all other reporting institutions that originated and/or purchased loans of the type considered within the bank's assessment area. Demographic data is based on the 2000 census. D&B business data, HMDA aggregate, and small business aggregate data are from 2010. Aggregate small business and HMDA data from 2011 could not be considered in the evaluation because the data was not available as of the date of the evaluation.

Within the bank's market areas, a high level of small business lending activity has been reported by specialized lenders, who often 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, and a significant majority of such loans do not have revenue data reported. The presence of these lenders is reflected in a smaller market share for traditional lenders and tends to understate lending to businesses with annual revenues of $1 million or less. These factors were considered as an aspect of performance context when evaluating the level and distribution of small business lending.

While residential mortgage loan and small business loan data from 2010 and 2011 were fully analyzed and considered in the evaluation, unless otherwise noted, bank and aggregate data from 2010 is presented in the assessment area tables. If the performance during 2011 varies significantly from 2010 performance, such variance and the corresponding impact on performance are discussed.

Primary consideration is given to the number of loans originated (and corresponding percentage) when assessing lending performance for individual loan types. When combining multiple loan types 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. All conclusions also take into consideration relevant performance context factors.

During the evaluation period within the assessment area, the bank originated $6.0 million in HMDA loans and $10.9 million in small business loans. Accordingly, the bank's small business performance is given more weight when determining the bank's overall performance level. Additionally, when determining the overall performance of a product, greater weight is given to the year with the greater dollar volume. Therefore, when evaluating both HMDA and small business lending, greater weight is given to the bank's performance in 2010 as it included the larger dollar volumes of lending for each product.

Lending Activity:

A bank's loan-to-deposit ratio is one measure of its lending ability relative to its capacity. As of March 31, 2012, the bank's loan-to-deposit ratio equaled 61.8%. Its ratio averaged 68.9% for the eight-quarter period ending March 31, 2012, and ranged from 61.8% to 73.9%. The quarterly average loan-to-deposit ratios for all banks headquartered in metropolitan areas of Virginia and of similar asset size to CVB ranged from 77% to 84.3% for the same time period. Since March 31, 2010, the bank's assets, loans, and deposits, have decreased by 17%, 26.9%, and 13.4%, respectively. No barriers to the bank's ability to lend were noted 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 adequately responsive to the credit needs of its assessment area.

Assessment Area Concentration:

The following table includes all small business and HMDA loans reported during 2010 and 2011.

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

Loan Type	Inside				Outside			
	#	%	$(000)	%	#	%	$(000)	%
Home Purchase - Conventional	9	64.3	2,370	72.4	5	35.7	903	27.6
Home Improvement	49	84.5	318	89.1	9	15.5	39	10.9
Refinancing	17	73.9	3,304	68.6	6	26.1	1,509	31.4
Total HMDA related	**75**	**78.9**	**5,992**	**71.0**	**20**	**21.1**	**2,451**	**29.0**
Small Business	86	65.6	10,983	60.9	45	34.4	7,056	39.1
Small Farm	3	100.0	87	100.0	0	0.0	0	0.0
TOTAL LOANS	**164**	**71.6**	**17,062**	**64.2**	**65**	**28.4**	**9,507**	**35.8**

As illustrated in the preceding chart, a majority of the number and dollar amount of each loan type considered in the evaluation were provided to borrowers located in the bank's assessment area. The institution's level of lending within its assessment area is considered responsive to the credit needs of the community.

Geographic Distribution:

There are no low-income census tracts within the assessment area. Discussion of the bank's performance focuses on the loans extended in moderate-income census tracts.

Distribution of HMDA Loans by Income Level of Census Tract

Assessment Area: Richmond, VA MSA (2010)								
Income Categories	**Bank**				**Aggregate**			
	#	**%**	**$(000s)**	**% $**	**#**	**%**	**$(000s)**	**% $**
	(9)		**Home Purchase**		**(4,928)**			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	22.2	175	7.4	69	1.4	8,738	0.7
Middle	4	44.4	1,123	47.4	855	17.3	159,719	13.1
Upper	3	33.3	1,072	45.2	4,004	81.2	1,050,108	86.2
	(15)		**Refinance**		**(11,042)**			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	164	1.5	24,856	1.0
Middle	11	73.3	2,554	79.1	1,849	16.7	342,486	13.9
Upper	4	26.7	676	20.9	9,029	81.8	2,102,890	85.1
	(28)		**Home Improvement**		**(388)**			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	10	35.7	46	26.1	29	7.5	1,074	2.7
Middle	12	42.9	81	46.0	88	22.7	6,836	17.1
Upper	6	21.4	49	27.8	271	69.8	32,163	80.3
	(0)		**Multi-Family**		**(2)**			
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	50.0	8,000	23.3
Upper	0	0.0	0	0.0	1	50.0	26,272	76.7
				HMDA Totals				
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	12	23.1	221	3.8	262	1.6	34,668	0.9
Middle	27	51.9	3,758	65.1	2,793	17.1	517,041	13.7
Upper	13	25.0	1,797	31.1	13,305	81.3	3,211,433	85.3
*NA**	0	0.0	0	0.0	3	0.0	649	0.0
Total	***52***	***100.0***	***5,776***	***100.0***	***16,363***	***100.0***	***3,763,791***	***100.0***

NA-Tracts without household of family income as applicable*
( ) represents the total number of bank loans for the specific Loan Purpose
**Loans where the geographic location is unknown are excluded from this table.*

Within this assessment area, home improvement loans were extended most frequently by the bank, followed by refinance loans. Aggregate lenders extended more refinance and home purchase loans. When considering the distribution of aggregate lending, CVB's refinance lending in moderate-income census tracts is poor; however, its home improvement and home purchase lending in moderate-income census tracts is excellent. Overall, during 2010, 23.1% of CVB's HMDA loans were extended to residents located in moderate-income census tracts. Aggregate lenders extended only 1.6% of HMDA loans to residents of such tracts. According to 2000 census data, 4.4% of owner-occupied housing units are located in moderate-income census tracts. CVB's performance during 2010 is considered excellent, and its performance during 2011 is similar.

Distribution of Small Business Loans by Income Level of Census Tract

Assessment Area: Richmond, VA MSA (2010)								
Income Categories	Bank				Aggregate			
	#	%	$(000s)	% $	#	%	$(000s)	% $
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	9	18.0	113	2.5	78	2.3	1,308	1.0
Middle	30	60.0	2,980	65.9	675	20.0	26,156	19.3
Upper	11	22.0	1,431	31.6	2,623	77.7	107,946	79.7
*NA**	*0*	*0.0*	*0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Total	***50***	***100.0***	***4,524***	***100.0***	***3,376***	***100.0***	***135,410***	***100.0***

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

Within the assessment area, the bank's lending in 2010 to businesses located in moderate-income census tracts (18%) substantially exceeded the aggregate (2.3%) as well as the proportion of businesses located in moderate-income census tracts (5%). This level of lending is considered excellent. CVB extended two loans (5.6%) totaling $62,000 in 2011 in moderate-income tracts. While CVB extended fewer loans in moderate-income census tracts in 2011, the distribution is nonetheless considered excellent.

Overall, the institution's geographic distribution performance is considered excellent when using various proxies for demand.

Distribution by Borrower Income and Revenue Size of the Business:

The following tables present the bank's lending data to borrowers of different income levels and to businesses of different sizes. Area demographics, aggregate HMDA and small business data, and D&B business data are used as proxies for demand.

Distribution of HMDA Loans by Income Level of Borrower

Assessment Area: Richmond, VA MSA (2010)								
Income Categories	Bank				Aggregate			
	#	%	$(000s)	% $	#	%	$(000s)	% $
	HMDA Totals							
Low	17	33.3	630	11.1	712	5.1	85,119	2.7
Moderate	7	13.7	643	11.3	2,414	17.3	389,659	12.3
Middle	12	23.5	1,431	25.2	3,335	23.9	678,459	21.4
Upper	15	29.4	2,966	52.3	7,499	53.7	2,021,725	63.7
Total	***51***	***100.0***	***5,670***	***100.0***	***13,960***	***100.0***	***3,174,962***	***100.0***
Unknown	*1*		*106*		*2,403*		*588,829*	

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

During 2010, the bank's lending to low-income borrowers (33.3%) substantially exceeded the percentage of low-income families in the assessment area (8.9%) and the aggregate reporter lending level (5.1%). The bank's lending to moderate-income borrowers (13.7%) was greater than the percentage of moderate-income area families (11.8%), but lagged the aggregate reporter lending level (17.3%). The bank's performance during 2010 is considered excellent.

In 2011, the bank originated a total of 23 loans for $216,000. CVB lending to low-income borrowers was significant at 47.8%. This lending level is deemed excellent as compared with the demographic demand proxy and considering the 2010 aggregate performance level as an element of performance context. Bank lending to moderate-income borrowers declined to 8.7% and is considered poor. On a combined basis, the bank's 2011 performance is considered good, based on the strength of its lending to low-income borrowers. Overall, the bank's HMDA lending is considered good.

Distribution of Lending by Loan Amount and Size of Business

Assessment Area: Richmond, VA MSA (2010)								
	Bank				Aggregate*			
by Revenue	#	%	$(000s)	% $	#	%	$(000s)	% $
$1 Million or Less	39	78.0	3,217	71.1	1,156	33.9	60,768	44.6
Over $1 Million	6	12.0	1,113	24.6	NA	NA	NA	NA
Unknown	*5*	*10.0*	*194*	*4.3*	NA	NA	NA	NA
by Loan Size								
$100,000 or less	41	82.0	1,742	38.5	3,150	92.4	38,504	28.3
$100,001-$250,000	6	12.0	1,182	26.1	120	3.5	21,523	15.8
$250,001-$1 Million	3	6.0	1,600	35.4	138	4.0	76,115	55.9
Total	***50***	***100.0***	***4,524***	***100.0***	***3,408***	***100.0***	***136,142***	***100.0***

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

D&B business data indicates that 90.9% of all local businesses reported revenues of $1 million or less. According to 2010 aggregate small business data, 33.9% of reported loans were to businesses with annual revenues of $1 million or less. The remaining loans were to businesses with revenues exceeding $1 million or that had unknown revenues. As part of performance context, the aggregate data was also considered after excluding certain specialty lenders that primarily extend credit card loans. Of the remaining small business loans originated by traditional bank lenders, 56.2% were made to businesses having annual revenues of $1 million or less. Of the small business loans considered in the evaluation, 78% were to businesses with annual revenues of $1 million or less. CVB's small business lending during 2010 is considered excellent.

In 2011, the bank originated 36 small business loans totaling $6.5 million. Of these loans considered (21 loans totaling $2.4 million), 58.3% were to businesses with annual revenues of $1 million or less. This level of lending is considered good as compared with business demographic and the 2010 aggregate performance as performance context. The distribution of the bank's small business lending is considered good. In reaching this conclusion, more weight was placed on the banks 2011 lending due to the larger dollar volume ($6.5 million compared to $4.5 million in 2010).

Overall, the institution's lending to borrowers of varying income levels and to businesses of different sizes is considered good.

Community Development Lending:

During the evaluation period, the bank did not report any loans for community development purposes. To the extent that the bank may have originated any loans for community development purposes, these loans have been reported with the bank's small business or HMDA loans and cannot additionally be counted as community development loans. Given the rural nature of the much of the bank's assessment area, along with current economic conditions, effective demand for community development loans may be somewhat limited.

INVESTMENT TEST

A discussion with an individual knowledgeable of the local community and reviews of the performance evaluations of other financial institutions having a local presence in CVB's assessment area indicate that local community development investment opportunities are reasonably available. The bank faces moderate constraints regarding investment opportunities when considering current economic conditions, financial capacity, and business strategy.

During the evaluation period, the institution held $4.7 million in qualified community development investments. The bank reported $390.4 million in total assets with a securities portfolio totaling $125.7 million as of March 31, 2012. The overall investment test performance for the institution is considered low satisfactory.

Qualified investments benefiting portions of the institution's assessment area as well as a broader regional or statewide area included the following:

- Three bonds issued by the Virginia Housing Development Authority (VHDA) totaling $3.2 million, of which all were purchased by the bank since the previous evaluation. The VHDA is a state operated mortgage finance agency helping low- and moderate-income Virginians attain quality, affordable housing.

- CVB continues to hold a $1.4 million investment with Franklin Capital Group in its King Street Partners loan portfolio. The partnership, which invests in low-income housing tax credit (LIHTC) projects located in Virginia and Maryland, has specifically invested in LIHTC projects in the Richmond, Virginia MSA.

In addition, the bank has contributed $925 in qualified donations to a variety of local organizations that primarily assist low- and moderate-income residents or geographies.

SERVICE TEST

The bank's overall performance under the service test is rated low satisfactory. Systems for delivering retail banking services appear effective and are readily accessible to all portions of the assessment area, including moderate-income areas. Furthermore, the bank provides an adequate level of community development services given the size, location, and financial capacity of the institution.

Retail Services:

Delivery systems, branch locations, and hours of operation are considered readily accessible and convenient to all portions of the assessment area. Automated-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.

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Within the assessment area, two of the bank's seven branches are in moderate-income tracts (28.6%), which compares favorably with the percentage of families residing in such geographies (4.4%). Most branches are open on Saturday with several branches providing extended hours to 6:00 p.m. on Friday.

Community Development Services:

Financial expertise has been supplied to the following community development organization:

- Board of Seminary – A bank officer serves on the board of directors for this group which is a nonprofit organization that assists individuals with low-income housing in the interpark area.

The institution offers 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.

Systems for delivering retail banking services, including moderate-income areas, and the community development services provided are considered adequately responsive to community credit needs.

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.