

PUBLIC DISCLOSURE
May 11, 1998
COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Crestar Bank
47920
P. O. Box 26665
Richmond, Virginia 23261

Federal Reserve Bank of Richmond
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NOTE: 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.

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each Federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such an examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of Crestar Bank, Richmond, Virginia, prepared by The Federal Reserve Bank of Richmond, the institution's supervisory agency, as of May 11, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 228.

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

Crestar Bank primarily serves its assessment areas through direct lending and offers a variety of credit products. A substantial majority of the loans reviewed were originated within its assessment areas. The geographic distribution of loans is considered adequate with loans originated within populated geographies of all income levels. Furthermore, loans have been extended to low- and moderate-income borrowers and to businesses of varying sizes. The institution's level of responding to community development needs through its investment activities is considered reasonable. Delivery systems and branch locations are considered readily accessible, and participation in community development services is considered good.

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

PERFORMANCE LEVELS	<u>Crestar Bank</u>		
	PERFORMANCE TESTS		
	LENDING TEST *	INVESTMENT TEST	SERVICE TEST
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION:

Crestar Bank is headquartered in Richmond, Virginia, and operates 379 branches throughout the Commonwealth of Virginia, the State of Maryland, and the District of Columbia. The institution is a subsidiary of Crestar Financial Corporation, Richmond, Virginia. Previously, the holding company operated four separately chartered banking subsidiaries in Virginia, Maryland, and the District of Columbia. These entities were merged in 1996 to form Crestar Bank, a single state chartered Virginia bank. Since May 20, 1996, Crestar Bank has opened 19 branches and closed 21 branches. In addition, the institution obtained 104 branch offices through various mergers and acquisitions, of which 20 locations were subsequently closed. Subsequent to the examination, Crestar Financial Corporation became a subsidiary of SunTrust Banks, Inc., Atlanta, Georgia.

As of March 31, 1998, the bank had assets of approximately \$25.9 billion of which 67% were loans. The loan portfolio as of this date consisted of 55% real estate secured (including consumer and business), 25% consumer, 16% commercial/agricultural, and 4% other types of loans. The institution reported 4,386 Home Mortgage Disclosure Act (HMDA) loan originations totaling \$123.5 million during 1997. The bank's previous CRA rating was outstanding.

The bank serves 16 separate assessment areas. The majority of the bank's total market lending activity (86%) was extended within five of these communities. The largest assessment area is within the Washington, D. C.-Northern Virginia-Maryland Consolidated Metropolitan Statistical Area (CMSA) and accounts for 44% of the institution's total lending activity. Full-scope examination procedures were used to determine the bank's performance within these communities as described in the lending, investment, and service test analyses, and conclusions are presented in this evaluation. General conclusions regarding the performance in both metropolitan and nonmetropolitan assessment areas not specifically reviewed under the examination procedures are also included in this evaluation. The institution's overall rating was based on its performance in all assessment areas. Five of the bank's assessment areas are within the following Metropolitan Statistical Areas (MSAs):

- * Richmond-Petersburg, Virginia
- * Norfolk-Virginia Beach-Newport News, Virginia
- Roanoke, Virginia
- Lynchburg, Virginia
- Charlottesville, Virginia

The ten remaining markets consist of nonmetropolitan areas and include the following:

- * Shenandoah, Augusta, Rockbridge, Page, and Rockingham Counties, a portion of Frederick County, and the Cities of Harrisonburg, Winchester, Staunton, Lexington, Waynesboro, and Buena Vista, Virginia
- * Henry, Patrick, and Franklin Counties and the City of Martinsville, Virginia
- Radford City and portions of Montgomery and Pulaski Counties, Virginia
- Halifax County, Virginia
- Southampton County and the City of Franklin, Virginia
- Accomack and Northampton Counties, Virginia
- Orange County, Virginia
- Kent County, Maryland
- St. Mary's County, Maryland
- Dorchester, Talbot, Wicomico, and Worcester Counties, Maryland

* Full-scope examination procedures used.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

The bank primarily serves its assessment areas through direct lending and offers a variety of credit products. The quarterly average loan-to-deposit ratio for all banks headquartered in metropolitan areas of Virginia and of similar asset size to Crestar Bank ranged from 72% to 76% for an eight-quarter period ending March 31, 1998. The bank's average loan-to-deposit ratio for the previous eight quarters is 96% and is considered more than

Home Equity	3,082	7,533	2,458	13,073	8%	\$535,985	10%
Totals	41,990	86,224	30,967	159,181	100%	\$5,382,383	100%

* The institution is required to collect information about these types of loans.

As illustrated, consumer purpose loans, exclusive of HMDA reported loans, accounted for 79% of the number and 41% of the dollar amount of loan originations extended by Crestar Bank. The institution's lending activity is considered responsive to the credit needs of the assessment areas.

In addition, CMC originated approximately 26,000 mortgage loans (\$2.9 billion) within the bank's assessment areas from May 1996 through March 1998. These figures include Government-sponsored loans extended through the Federal Housing Authority, the Veterans Administration, and the Rural Housing and Community Development Service (formerly the Farmers Home Administration). Since the previous evaluation, CMC has originated 6,904 such home purchase loans totaling \$656 million throughout the bank's assessment areas. Other government sponsored mortgage products are also available through CMC and include loans through the Virginia Housing Development Authority (VHDA), the D. C. Housing Financing Authority Agency, the Maryland State Community Development Agency, and the Montgomery County Housing Opportunities Commission. In addition, CMC offers several affordable housing products including the FNMA 3/2 Program, the FHLMC Affordable Gold Program, the FNMA Community Homebuyers Program, the Unsecured Loan Program (Down Payment Assistance), the HomeStart Second Mortgage Program, and the Baltimore City and Baltimore County Settlement Expense Loan Programs (SELP). The majority of these Government-sponsored and affordable housing loan programs have specific income restrictions and/or offer flexible underwriting standards that assist in providing affordable housing to many low- and moderate-income borrowers.

Furthermore, membership in the Federal Home Loan Bank of Atlanta (FHLB) has afforded the bank the opportunity to originate below market rate mortgages under the guidelines of the FHLB Affordable Housing Program and the Community Investment Program. Under these programs, long-term fixed-rate debt from FHLB provides the institution a source of funding for fixed-rate mortgage loans that create affordable housing for low-income people. Since May 1996, Crestar Bank has funded over \$10 million in loans through the FHLB Affordable Housing Program.

During 1997, the Crestar Community Development Corporation (CDC) was established as a for-profit wholly owned subsidiary of Crestar Financial Corporation. The Crestar CDC, which is headquartered in Baltimore, Maryland, serves all the bank's assessment areas throughout Virginia, Maryland, and Washington, D. C. The primary purpose of this CDC is to develop, rehabilitate, and manage multifamily residential property that will primarily serve low- and moderate-income families. The organization also provides financing to small businesses located in low- and moderate-income areas in order to stimulate economic development. In addition, technical assistance, credit counseling, job training, and placement services are available through the Crestar CDC. Crestar Bank initially capitalized this CDC with a \$1 million equity allocation and also provided a \$10 million working capital line of credit to fund its various activities. This line of credit is considered to be a qualified community development loan for purposes of CRA.

The institution's volume of lending from May 1996 through March 1998 is presented in the following table by number and dollar amounts. These

figures represent loan activity within both the metropolitan and nonmetropolitan assessment areas.

Comparison of Credit Extended Inside and Outside of Assessment Areas

	Small Business/Farm		Consumer		HMDA		Total	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
Number of Loans	16,691	926	103,098	22,280	9,894	6,292	129,683	29,498
Percentage of Loans	95%	5%	82%	18%	61%	39%	82%	18%
Amount of Loans (000,000's)	\$1,615	\$82	\$1,673	\$485	\$673	\$854	\$3,962	\$1,421
Percentage of Amount	95%	5%	78%	22%	44%	56%	74%	26%

As depicted above, a substantial majority of the number (82%) and dollar amounts (74%) of total loans generated since May 1996 have been provided to area residents. Overall, the percentage of loans made in the assessment areas is considered responsive to community credit needs.

The geographic distribution of loans is discussed in detail later in this evaluation. Overall, the bank's penetration of consumer loans into low- and moderate-income geographies is considered low when compared to area demographics. Within a majority of the communities, however, the proportion of HMDA and business loans extended in low- and moderate-income areas, while slightly lower than the population percentage, has either approximated or exceeded the 1996 aggregate lending activity in these geographies. The bank's consumer lending to low- and moderate-income individuals generally meets or exceeds the percentage of such families within the assessment areas. The institution's penetration of HMDA loans to low- and moderate-income borrowers is generally lower than area demographics but overall meets or exceeds the 1996 aggregate lending activity. Lending to small businesses with revenues of \$1 million or less is considered to be adequate. The institution has demonstrated a responsiveness to the credit needs of its market areas through community development lending and product flexibility, including the availability of several Government-sponsored loan programs.

The overall rating of the institution under the lending test is high satisfactory.

INVESTMENT TEST

The institution's level of responding to community development needs through its investment activities is rated high satisfactory. Qualified investments in several organizations promoting affordable housing and small business development were noted, as were several qualified donations. As mentioned previously, the Crestar CDC was formed during 1997 and Crestar Bank initially invested \$1 million to capitalize the organization. In June 1998, the Crestar CDC provided a \$2 million investment in the Virginia CDC, which supports low-income housing projects for households earning at or below 60% of the area median income.

SERVICE TEST

The overall rating of the institution under the service test is outstanding. Delivery systems, including ATMs and branch locations, are considered readily accessible, and the hours of operation are convenient to all portions of the assessment areas. Twenty-one percent of the institution's branch offices are located in low- and moderate-income geographies and an additional 13% primarily serve such areas. The bank's participation in community development services is considered more than reasonable. In particular, several Crestar Bank employees are actively involved in the development and ongoing operations of the Crestar CDC. A branch closing policy has been adopted as required by the Federal Deposit Insurance Corporation Improvement Act of 1991.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS

No credit practices inconsistent with the substantive provisions of the fair housing and fair lending laws and regulations were identified. Technical violations of the HMDA's Regulation C and the Equal Credit Opportunities Act's Regulation B were noted. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

INTERSTATE CONSOLIDATED METROPOLITAN STATISTICAL AREA (CMSA) RATING

CRA RATING FOR WASHINGTON-BALTIMORE, DC-MD-VA-WV CMSA: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Outstanding

SCOPE OF EXAMINATION

As previously mentioned, the bank serves its assessment areas primarily through direct lending. As such, analyses were conducted on small

business/farm loans, HMDA loans, and several categories of consumer loans selected by the institution. The data were reviewed to determine the geographic distribution of the bank's lending, as well as the volume of loans provided to borrowers of different incomes. Total loan volume from May 20, 1996, through March 31, 1998, and community development lending, including loans for affordable multifamily housing, were also evaluated. The bank's efforts to serve its markets through qualified community development investments and services were also reviewed. Approximately 44% of the bank's total lending activity within all assessment areas was originated within this CMSA. Full scope examination procedures were utilized to measure the bank's performance in this market.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WASHINGTON-BALTIMORE CMSA ASSESSMENT AREA:

This assessment area includes the District of Columbia, as well as the following counties and cities (or portions thereof) within the State of Maryland and the Commonwealth of Virginia:

In Virginia:

Spotsylvania County
Stafford County
Culpeper County
Fauquier County
Arlington County
Fairfax County
Prince William County
Warren County
Fredericksburg City
Alexandria City
Fairfax City
Falls Church City
Manassas City
Manassas Park City
Clarke County - census tracts 101.00 and 102.00
Loudoun County - census tracts 6104.00 through 6106.00 and 6110.00 through 6118.00

In Maryland:

Prince George's County
Montgomery County
Calvert County
Charles County
Frederick County
Baltimore County
Howard County
Anne Arundel County
Harford County
Queen Anne's County
Baltimore City

Prior to January 1997, only portions of Calvert County (census tract 8607.00) and Charles County (census tracts 8507.02 through 8509.03), Maryland, were included within the bank's assessment area. In addition, a portion of Carroll County, Virginia, was contained within this market and included census tracts 5041.00, 5042.01, 5051.00, 5052.01, 5052.02, 5053.00, 5090.00, 5130.00, 5141.00, and 5142.00.

The bank's assessment area is included within the Washington-Baltimore CMSA, which is comprised of the Washington, D. C., and the Baltimore, Maryland, MSAs. The market contains 208 branches and includes 1,576 census tracts/block numbering areas (BNAs) of which 1,490 are populated. Of the populated geographies, 129 are low-income, 346 are moderate-income, 642 are middle-income, and 373 are upper-income. According to 1990

census data, this assessment area has a population of 6,348,590 and a median housing value of \$137,692. The owner-occupancy rate for the market is 58% which is slightly lower than the rate for the State of Maryland (60%) and the Commonwealth of Virginia (61%) but much higher than the rate for the District of Columbia (35%). The 1998 median family incomes for the Washington and Baltimore MSAs are \$72,300 and \$55,600, respectively. Based on 1990 census data, 6% of area families are below the poverty level, and 67% of these families reside in low- and moderate-income census tracts. Furthermore, 34% of the families residing in low-income geographies and 10% of the families within moderate-income geographies live below the poverty level.

The following table provides demographics for this assessment area by the income level of families and the percentage of population living in census tracts/BNAs of varying income levels. The percentage of owner-occupied units by income level of the geography is also provided. As illustrated by this chart, 36% of area families are low- and moderate-income, and 28% of the population resides in low- and moderate-income census tracts/BNAs.

Demographics for Assessment Area

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	18%	18%	25%	39%	100%
Percentage of Population Residing in Census Tracts/BNAs by Income Level of Tract/BNA	6%	22%	45%	27%	100%
Percentage of Owner-Occupied Units by Income Level of Tract/BNA	2%	16%	49%	33%	100%

The Washington market is one of the fastest growing areas in the nation and has experienced consistent economic expansion over the previous two decades. The local economy is diversified among government, tourism, retail/wholesale trade, and service industries. The unemployment rates as of May 1998 ranged from a low of 1.2% for Fairfax City to a high of 8.4% for Baltimore City. The jobless rates for Virginia, Maryland, and the District of Columbia are 3%, 4.4%, and 8.2%, respectively.

Community contacts were conducted during the examination with local government officials and a representative from a housing organization to further assist in evaluating the bank's CRA performance. According to the contacts, small business financing is a major credit need in the region, as

well as loans for the rehabilitation of the existing housing supply. All the contacts indicated, however, that local financial institutions appear to be adequately addressing these needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE WASHINGTON-BALTIMORE CMSA ASSESSMENT AREA:

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of loans is reflected in the following tables. The tables represent the institution's lending within this assessment area according to the income level of the census tract/BNA.

Distribution of Small Business/Farm Loans by Income Level of Census Tract/BNA

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	213	774	2,216	1,921	5,124
Percentage of Total Loans	4%	15%	43%	38%	100%
Total Amount of Loans (000's)	\$26,427	\$76,800	\$231,697	\$159,948	\$494,872
Percentage of Total Amount	5%	16%	47%	32%	100%

Distribution of Consumer Loans by Income Level of Census Tract/BNA

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	655	7,733	25,067	16,801	50,256
Percentage of Total Loans	1%	15%	50%	34%	100%

Total Amount of Loans (000's)	\$12,710	\$98,770	\$360,679	\$378,062	\$850,221
Percentage of Total Amount	2%	12%	42%	44%	100%

Distribution of HMDA Loans by Income Level of Census Tract/BNA

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	121	1,840	6,441	5,200	13,602
Percentage of Total Loans	1%	14%	47%	38%	100%
Total Amount of Loans (000's)	\$7,823	\$171,300	\$677,233	\$819,119	\$1,675,475
Percentage of Total Amount	1%	10%	40%	49%	100%

Overall, 16% (11,336/68,982) of the bank's loans originated within the assessment area were extended to individuals and businesses located in low- and moderate-income census tracts/BNAs. This level of lending is lower than the percentage of the population (28%) residing in such geographies. The percentage of small business/farm loans extended in low-income (4%) and moderate-income (15%) census tracts/BNAs, however, corresponds to the 1996 aggregate lending data reported in low-income (4%) and moderate-income (17%) geographies. In addition, the level of HMDA loans originated in low-income (1%) and moderate-income (14%) geographies is comparable to the aggregate's mortgage lending data (2% in low-income and 14% in moderate-income). Furthermore, the percentage of owner-occupied housing in low-income (2%) and moderate-income (16%) census tracts/BNAs closely corresponds to the bank's lending penetration. The level of consumer loans originated in both low-income (1%) and moderate-income (15%) geographies is low compared to the percentage of population residing in such areas (6% in low-income and 22% in moderate-income).

Given the local economic conditions and the size and location of the institution, the bank's loan distribution within the assessment area is considered adequate.

Borrowers' Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended within the assessment area by income level of the borrower and to businesses of different sizes.

Distribution of Consumer Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	11,746	11,895	10,992	13,640	48,273
Percentage of Total Loans	24%	25%	23%	28%	100%
Total Amount of Loans (000's)	\$112,066	\$149,985	\$167,658	\$369,120	\$798,829
Percentage of Total Amount	14%	19%	21%	46%	100%

Distribution of HMDA Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	1,314	2,690	3,371	4,486	11,861
Percentage of Total Loans	11%	23%	28%	38%	100%
Total Amount of Loans (000's)	\$75,495	\$225,289	\$352,376	\$683,032	\$1,336,192
Percentage of Total Amount	6%	17%	26%	51%	100%

As depicted in the previous tables, the percentage of consumer loans (49%) extended to both low-income and moderate-income borrowers is considerably higher than the percentage of such families (36%) in the assessment area. While the percentage of HMDA loans extended to low-income residents (11%) is low when compared to area demographics (18%), this lending penetration mirrors the 1996 aggregate lending activity. In addition, the bank's mortgage lending to moderate-income borrowers (23%) exceeds the percentage of such individuals (18%) in the assessment area and closely corresponds to the 1996 aggregate lending penetration (24%). Furthermore, Crestar Bank offers a Second Trust Mortgage Program in conjunction with Acorn Housing Corporation (Acorn). This program was established through two direct subsidies totaling \$620,000 from the FHLB. Crestar Bank provides financial assistance to help defray down payment and settlement costs, while Acorn offers intensive counseling to eligible low-income

first time home buyers. Since March 1996, 30 families have received financing within Prince George's County, Maryland, and Washington, D. C. Overall lending to low- and moderate-income borrowers is considered more than reasonable.

Distribution of Lending by Loan Amount and Size of Business or Farm

	\$0 - \$100,000		> \$100,000 - \$250,000		> \$250,000		Total	
	Total Revenues ≤ \$1 Million	1,613	32%	76	1%	89	2%	1,778
Total Revenues > \$1 Million	2,495	48%	341	7%	502	10%	3338	65%
Totals	4,108	80%	417	8%	591	12%	5,116	100%

As illustrated above, 35% (1,778/5,116) of the small business/farm loans in the assessment area were provided to businesses with revenues of \$1 million or less. Furthermore, 32% of the 5,116 small business/farm loans were to borrowers with revenues not exceeding \$1 million and for an amount of \$100,000 or less. According to the 1996 aggregate lending data for the assessment area, 50% of small business loans were to businesses with revenues not exceeding \$1 million. While the bank's lending penetration to small business appears somewhat low, Crestar Bank is actively involved in several small business loan pools throughout the assessment area. These revolving loan funds generally provide financing to small businesses that are unable to obtain financing through traditional sources. Several of the loan pools require borrowers to complete training courses prior to receiving financing. In addition, the institution offers a variety of Small Business Administration (SBA) financing options including the SBA 504, SBA Low Documentation, and SBA 7A loan programs. The bank's level of lending to local small businesses is adequate.

Given the local economic conditions, the distribution of loans to borrowers of different incomes and to businesses of different sizes is considered satisfactory and demonstrates a willingness to meet the credit needs of all segments of this community.

Community Development Loans

The bank has originated approximately \$49 million in qualified community development loans/lines of credit within this assessment area since the previous evaluation. Several of the qualified loans are detailed below:

A \$1.6 million loan for the purchase and expansion of an apartment building located in a low-income census tract in Washington, D. C. This building, which has been vacant since 1989, will contain 28 rental units. The loan was extended to a nonprofit community development

corporation that primarily serves low- and moderate-income families and is funded through community development block grant funds. Construction financing for this project was in conjunction with the Local Initiative Support Corporation (LISC).

A \$1.9 million loan to finance the acquisition and renovation of a 170,000 square-foot office property in Prince George's County. This property is located in a moderate-income census tract and is included within an empowerment zone. The office building is presently 95% vacant and renovations will provide lease opportunities for area small businesses, as well as job opportunities for local residents.

A \$3.1 million loan to fund the acquisition of 94 condominium units and 25 townhomes in Germantown, Maryland. Fifty-seven of the condominiums will be Moderately Priced Dwelling Units (MPDUs) that will be sold under Montgomery County's Affordable Housing Program. All 25 of the townhomes will be sold to the Montgomery County Housing Opportunity Commission (HOC) and subsequently purchased by qualifying low- and moderate-income borrowers.

A \$2.2 million loan to purchase a 74-unit apartment complex in Falls Church, Virginia. This loan was provided to a nonprofit housing developer whose mission is to provide affordable housing and sustain quality communities for low- and moderate-income people in Northern Virginia. The apartment complex will be rented by lower income families using Section 8 vouchers. The property will later be refinanced using tax exempt bonds and tax credits.

Approximately \$3.1 million for the acquisition and rehabilitation of a 259-unit apartment complex located in a low-income census tract in Washington, D. C. Fifty-nine percent of the units will receive project based Section 8 rental subsidies. This project was funded through a \$2.1 million subsidized advance and a \$1 million direct subsidy under the FHLB's Affordable Housing Program.

A \$1.2 million loan to finance the acquisition and renovation of a 62,500 square-foot office building in a moderate-income census tract of Prince George's County. The property, which is presently vacant, is located in a distressed area of the inner beltway that has been targeted by local government as in need of revitalization. Upon completion of the renovations, this office building will be leased to area small businesses.

In addition, Crestar Bank is actively involved in several small business loan pools. Since May 1996, the institution has provided lines of credit to the H Street Community Development Corporation (\$250,000), the Anne Arundel Business Loan Fund (increase of \$200,000), the Baltimore County Loan Pool (\$550,000), and the Harford County Revolving Loan Fund (\$370,000). The bank's prorata share of loans extended through these small business loan pools, as well as through the Prince George's County Revitalization Loan Fund and the Montgomery County Small Business Loan Fund, total \$646,000.

As mentioned previously, Crestar Bank also provided the Crestar CDC with a \$10 million revolving working capital line of credit to fund its various activities. This line of credit is considered to be a qualified community development loan for purposes of CRA.

INVESTMENT TEST

In 1997, Crestar Bank was awarded the Bank Enterprise Act Award in recognition of its lending and services performed in designated economically distressed census tracts in Washington, D. C. This award is granted by the U. S. Department of Treasury and Crestar Bank was the only institution in the market to receive this award during 1997. The bank was awarded \$465,000, of which \$250,000 has been reinvested by Crestar Bank in the

following organizations:

East River Community Development Corporation - \$50,000 to establish a small business technical assistance and training program for targeted distressed areas of Washington, D. C.

Oxen Creek Townhomes Down Payment Assistance Fund - \$50,000 to provide subsidies for the purchase of townhomes in a public housing project in Washington, D. C.

Washington LISC - \$50,000 to support the development loan fund for nonprofit community development corporations operating in Washington, D. C.

Washington Area Community Investment Fund (WACIF) - \$40,000 to fund a loan pool which provides financing for affordable housing development in distressed neighborhoods of Washington, D. C. WACIF is a certified Community Development Financial Institution.

Unitarian Universalist Affordable Housing Fund - \$25,000 to finance the development of low-income housing in distressed areas of Washington, D. C. This organization is a certified Community Development Financial Institution.

North Capital Neighborhood Development Corporation - \$10,000 to assist this community development corporation in the production of affordable housing in targeted areas of Washington, D. C.

Crestar Small Business Resource Center - \$25,000 to expand training services and purchase additional equipment.

In addition, the bank has invested \$300,000 in the Columbia Capital Group. This organization originates loans to businesses which focus on job creation and stabilization of low- and moderate-income geographies. An additional \$500,000 was invested in the Montgomery County Housing Opportunities Commission Low Income Housing Tax Credit Partnerships. This money was used to acquire between 35 and 55 single- family dwellings throughout Montgomery County to be rented to low- and moderate-income families.

Furthermore, the institution made contributions totaling approximately \$442,000 from May 1996 through March 1998 to a variety of organizations, including those that primarily serve low- and moderate-income residents of this assessment area. Such organizations include Habitat for Humanity, Interfaith Housing Corporation, Arlington Housing Corporation, and Neighborhood Housing Services.

As mentioned previously, the Crestar CDC was formed during 1997. Crestar Bank initially invested \$1 million in this CDC to capitalize the organization. In June 1998, the Crestar CDC provided a \$2 million investment in the Virginia CDC, which supports low-income housing projects for households earning at or below 60% of the area median income.

Overall, the institution's level of qualified investments within this assessment area is considered reasonable.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. As of March 31, 1998, 367 ATMs were located within the assessment area including facilities situated at branch locations. These ATMs provide local residents with 24-hour nationwide network access. Mail, telephone, and computer (P.C.) banking services are also available to provide customers with 24-hour accessibility. In addition, Crestar Bank has installed 24-Hour Banker machines at numerous locations which allow customers to review account transactions and statements, as well as transfer funds between accounts. The institution also offers the ability to complete and submit certain loan applications for approval over the Internet, including mortgage applications through CMC. Since the previous examination, the bank has implemented a Telephone Bill Payer service, which allows customers to automatically pay various bills. In the Greater Washington Region, customers in remote facilities can conduct banking transactions via Crestar's Express Phone program with teller staff at televideo workstations.

Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Several branches are open Monday through Friday until 6:00 p.m. and many maintain Saturday hours; specific branch hours vary. In addition, two branches in Northern Virginia offer Sunday hours. The bank's 208 offices are accessible to all segments of the community. Forty-six branches (22%) are located in low- or moderate-income census tracts and an additional 31 (15%) locations primarily serve low- and moderate-income geographies. Since May 1996, the institution acquired 102 branch offices, of which 20 were subsequently closed. Twenty-six of the branches that remained open are located within low- and moderate-income census tracts. In addition, Crestar Bank opened one new office in Timonium, Maryland, and closed ten branches within the assessment area. Two of the closed locations were situated in moderate-income geographies.

Community Development Services

The bank provides technical assistance to community development organizations. Bank personnel also routinely provide credit counseling, training, and other assistance to many low- and moderate-income individuals in applying for and understanding credit. Some of the organizations in which Crestar Bank is actively involved include, but are not limited to, the following:

Affordable Housing Organizations

Washington Area Housing Partnership
Central Virginia Housing Coalition
Capital Area Mortgage Partnership
Habitat for Humanity
Housing Opportunities Commission of Montgomery County
Acorn Housing Corporation
Arlington Housing Corporation
Neighborhood Housing Services

Baltimore Corporation for Housing Partnership
Erik Development Corporation
HARBEL
MiCasa
Housing Association of Nonprofit Developers
Housing Initiative Partnership of Prince George's County

Multi-Purpose Community Development Organizations

Local Initiatives Support Corporation
Washington Community Development Support Collaborative

Small Business/Financial Counseling Organizations

Columbia Capital Group
Prince George's County Revitalization Loan Fund
Crestar Small Business Resource Center
Montgomery County Small Business Loan Fund
Lake Clifton Academy

Social Services Organization

Rosemont Center
Gaithersburg Help
Suited for Change
Baltimore Goodwill Industries
Thurman-Bristan Homeless Shelter
Family Self Sufficiency Assessment

In addition, Crestar Bank has established school savings programs that primarily serve low- and moderate-income individuals in various schools within the assessment area.

The institution's provision of community development services is considered more than reasonable.

STATE RATING

CRA RATING FOR VIRGINIA: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Outstanding

SCOPE OF EXAMINATION

As previously mentioned, the bank serves its assessment areas primarily through direct lending. As such, analyses were conducted on small business/farm loans, HMDA loans, and several categories of consumer loans selected by the institution. The data were reviewed to determine the geographic distribution of the bank's lending, as well as the volume of loans provided to borrowers of different incomes. Total loan volume from May 11, 1996, through March 31, 1998, and community development lending, including loans for affordable multifamily housing, were also evaluated. The bank's efforts to serve its markets through qualified community development investments and services were also reviewed. Twelve assessment areas in Virginia were evaluated, including five metropolitan markets and seven nonmetropolitan trade areas. Because a majority of the bank's lending occurred in the metropolitan assessment areas for Richmond and Tidewater and the nonmetropolitan assessment areas of Shenandoah and West Piedmont, these communities were evaluated using full-scope examination procedures.

The remaining Virginia markets were reviewed through an analysis of available facts and data, and general conclusions concerning the bank's performance within these communities are discussed later in this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN VIRGINIA:

The institution has established a 164-branch network within the state, excluding the portion of Virginia that is included within the Washington CMSA, with facilities located throughout its assessment areas, including low- and moderate-income geographies. Based on 1990 census data, the state has a total population of approximately 6.2 million, including nearly 1.6 million families. A majority of the families are middle- and upper-income (64%), while low- and moderate-income families each comprise 18% of the total. Approximately 8% of the families live below the poverty level.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN VIRGINIA:

LENDING TEST

A majority (54%) of the bank's loan activity is originated within Virginia. As a result, the rating for the Commonwealth of Virginia is reflective of the overall CRA rating for the bank. The geographic distribution of HMDA and small business/farm loans in low- and moderate-income areas while slightly lower than the percentage of population residing in such geographies, either approximated or exceeded the 1996 aggregate lending activity in many of the bank's assessment areas. The percentage of consumer loans extended in low- and moderate-income areas, however, is lower than the population percentage. Overall consumer lending to low- and moderate-income borrowers is generally higher than the percentage of low- and moderate-income families within the assessment areas. Furthermore, the percentage of HMDA loans extended to such families either approximated or exceeded the 1996 aggregate lending activity. The bank's lending to small businesses/farms with annual revenues of \$1 million or less is lower than the

aggregate lending data. Crestar Bank's level of community development lending, however, demonstrates a willingness to meet the credit needs of low- and moderate-income areas and residents, as well as a responsiveness to the credit needs of small businesses and farms.

INVESTMENT TEST

As previously mentioned, the bank's level of responding to community development needs through its investment activity is rated high satisfactory. The number and dollar volume of qualified investments made by the institution is reasonable and demonstrates a responsiveness to area credit needs.

SERVICE TEST

The statewide rating for the institution under the service test is outstanding. Its delivery systems are accessible to geographies and individuals of all income levels within its assessment areas, and its record of opening and closing branches has not adversely affected the accessibility to its services. The institution's participation in community development services is considered more than reasonable.

METROPOLITAN ASSESSMENT AREAS

(for metropolitan areas with some or all assessment areas reviewed using the examination procedures)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RICHMOND, VIRGINIA MSA ASSESSMENT AREA:

This assessment area accounts for 15% of the bank's total lending activity and includes the Counties of Chesterfield, Henrico, and Hanover, the Cities of Richmond, Petersburg, Hopewell, and Colonial Heights, census tracts 8501.00 through 8503.00 in Prince George County, and census tracts 8403.00 through 8405.00 in Dinwiddie County, Virginia. The market is part of the Richmond MSA and contains 52 branches. The assessment area includes 233 census tracts of which 38 are low-income, 51 are moderate-income, 95 are middle-income, and 49 are upper-income. According to 1990 census data, this assessment area has a population of 793,171 and a median housing value of \$78,965. The owner-occupancy rate for the market is 59% which is slightly lower than the rate for Virginia (61%). The 1998 median family income for the MSA is \$52,600. Based on 1990 census data, 8% of area families are below the poverty level, and 69% of these families reside in low- and moderate-income census tracts. Furthermore, 40% of the families residing in low-income geographies and 13% of the families within moderate-income geographies live below the poverty level.

The following table provides demographics for this metropolitan assessment area by the income level of families and the percentage of population living in census tracts of varying income levels. The percentage of owner-occupied units by income level of the census tract is also provided. As illustrated by this chart, 37% of area families are low- and moderate-income, and 29% of the population resides in low- and moderate-income areas.

Demographics for Assessment Area

	Low-	Moderate-	Middle-	Upper-	

	Income	Income	Income	Income	Total
Percentage of Area Families by Income Level	19%	18%	25%	38%	100%
Percentage of Population Residing in Census Tracts by Income Level of Tract	8%	21%	43%	28%	100%
Percentage of Owner-Occupied Units by Income Level of Tract	4%	15%	47%	34%	100%

The local economy is characterized by a strong industrial base and economic structure. Employment opportunities are diversified among manufacturing, government, retail/wholesale trade, and service industries. Major employers for the area include Philip Morris USA, Circuit City, Columbia/HCA Healthcare, Capital One Financial Corporation, and Dominion Resources. The unemployment rates as of May 1998 ranged from a high of 4.9% for the City of Petersburg to a low of 2% for Hanover County. The jobless rate for Virginia is 3%.

Community contacts were recently made with a local government official and a representative from a community development corporation to further assist in evaluating the bank's CRA performance. According to the contacts, small business financing is a major credit need in the area; however, local financial institutions appear to be adequately addressing this need.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE RICHMOND, VIRGINIA MSA ASSESSMENT AREA:

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of loans is reflected in the following tables. The tables represent the institution's lending within this assessment area according to the income level of the census tract.

Distribution of Small Business/Farm Loans by Income Level of Census Tract

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total

Total Number of Loans	517	609	1,263	759	3,148
Percentage of Total Loans	17%	19%	40%	24%	100%
Total Amount of Loans (000's)	\$35,599	\$61,030	\$113,346	\$73,539	\$283,514
Percentage of Total Amount	13%	21%	40%	26%	100%

Distribution of Consumer Loans by Income Level of Census Tract

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	383	1,607	6,071	5,036	13,097
Percentage of Total Loans	3%	12%	46%	39%	100%
Total Amount of Loans (000's)	\$4,768	\$22,245	\$83,399	\$112,765	\$223,177
Percentage of Total Amount	2%	10%	37%	51%	100%

Distribution of HMDA Loans by Income Level of Census Tract

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	118	569	2,690	3,210	6,587
Percentage of Total Loans	2%	8%	41%	49%	100%
Total Amount of Loans (000's)	\$6,734	\$30,763	\$207,534	\$375,455	\$620,486

Percentage of Total Amount	1%	5%	33%	61%	100%
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Overall, 17% (3,803/22,832) of the bank's loans originated within the assessment area were extended to individuals and businesses located in low- and moderate-income census tracts. This level of lending is lower than the percentage of the population (29%) residing in such geographies. The percentage of small business/small farm loans extended in both low-income (17%) and moderate-income (19%) geographies exceeds the penetration of activity reported by aggregate lenders in low-income (8%) and moderate-income (17%) census tracts. The level of consumer loans originated in low-income (3%) and moderate-income (12%) geographies is low compared to the percentage of the population represented in such areas (8% and 21%, respectively). Furthermore, the level of HMDA loans extended in low-income (2%) and moderate-income (8%) geographies is somewhat low when compared to the owner-occupied housing in such areas (4% in low-income and 15% in moderate-income geographies). A review of the 1996 aggregate HMDA data of reporting institutions revealed, however, that 13% of HMDA loans within the assessment area were extended in low- and moderate-income census tracts, which corresponds to the representation of such loans reported by Crestar Bank. High familial poverty rates in both low- and moderate-income areas (40% and 13%, respectively) may indicate a weak local demand for credit.

Given the local economic conditions and the size and location of the institution, the bank's loan distribution within the assessment area is considered adequate.

Borrowers' Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended within the assessment area by income level of the borrower and to businesses of different sizes.

Distribution of Consumer Loans by Income Level of Borrower

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	2,493	3,068	2,912	3,867	12,340
Percentage of Total Loans	20%	25%	24%	31%	100%
Total Amount of Loans (000's)	\$23,289	\$35,586	\$40,922	\$111,593	\$211,390
Percentage of Total Amount	11%	17%	19%	53%	100%

Distribution of HMDA Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	554	1,405	1,732	2,119	5,810
Percentage of Total Loans	10%	24%	30%	36%	100%
Total Amount of Loans (000's)	\$23,045	\$95,531	\$147,213	\$251,373	\$517,162
Percentage of Total Amount	4%	19%	28%	49%	100%

As depicted in the previous tables, the percentage of consumer loans extended to both low- and moderate-income borrowers (45%) significantly exceeds the percentage of such families (37%) in the assessment area. The percentage of HMDA loans extended to low-income persons (10%) is low when compared to the percentage of such families (19%) in the assessment area, while the institution's lending to moderate-income (24%) borrowers exceeds area demographics (18%). The bank's lending penetration, however, closely corresponds to the 1996 aggregate lending activity of 11% for low-income and 25% for moderate-income borrowers. Overall lending to low- and moderate-income borrowers is considered satisfactory.

Distribution of Lending by Loan Amount and Size of Business or Farm

	\$0 - \$100,000		> \$100,000 - \$250,000		> \$250,000		Total	
Total Revenues ≤ \$1 Million	980	31%	125	4%	55	2%	1,160	37%
Total Revenues > \$1 Million	1,496	48%	230	7%	262	8%	1,988	63%
Totals	2,476	79%	355	11%	317	10%	3,148	100%

As illustrated above, 37% (1,160/3,148) of the small business/farm loans in the assessment area were provided to businesses with revenues of \$1

million or less. Furthermore, 31% of the 3,148 small business/farm loans were to borrowers with revenues not exceeding \$1 million and for an amount of \$100,000 or less. According to the 1996 aggregate lending data, 46% of loans were provided to businesses with revenues not exceeding \$1 million.

The bank, however, provides small business credit through its participation in the James River Certified Development Corporation, the Crater Development Corporation, the Richmond Economic Development Corporation, and the Bank Participation Loan Program. This level of lending to local small businesses is considered adequate.

Given the local economic conditions, the distribution of loans to borrowers of different incomes and to businesses of different sizes is considered satisfactory and demonstrates a willingness to meet the credit needs of all segments of this community.

Community Development Loans

The bank has originated 23 qualified community development loans/lines of credit totaling approximately \$15.6 million within this assessment area since the previous evaluation. In particular, several of the qualified loans are detailed below:

A \$450,000 loan to a nonprofit affordable housing organization to finance construction and renovation costs of lower income housing in the Church Hill neighborhood of the City of Richmond. This project was supported by LISC and requires that qualified borrowers must be between 40% and 60% of the median income for the City of Richmond.

A \$1,050,000 loan for the acquisition and renovation of a funeral home in a low- and moderate-income census tract. The building is located in an enterprise zone in a neighborhood that has been targeted by the City of Richmond for revitalization. Financial support for the project was also provided by the Richmond Redevelopment and Housing Authority and the Industrial Development Authority.

A \$6 million loan to fund the construction of a new public safety building in an enterprise zone. The loan was provided to an organization that is responsible for providing decent, safe, and affordable housing to low- and moderate-income families. This organization focuses on the redevelopment of blighted areas to stimulate economic development.

A \$733,100 loan to renovate a vacant apartment building into housing for lower income elderly individuals. The project, which is being funded with low-income housing tax credits, will maintain 28 units upon completion.

A \$640,000 line of credit for the Bank Participation Loan Program (BPLP) which provides funding to businesses that do not qualify for traditional bank financing. The BPLP primarily targets deteriorating areas that have been designated by the City of Richmond as in need of revitalization. Five banks, in conjunction with the City of Richmond and the Richmond Industrial Development Authority, are involved in the loan pool with a total commitment of \$10 million. Crestar Bank is the lead bank in this program.

Furthermore, to the extent the bank may have originated any additional community development loans, such financing has been reported as either small business or HMDA loans. As mentioned previously, Crestar Bank provided the Crestar CDC with an initial \$10 million revolving working capital line of credit to fund its various activities. This line of credit provides potential benefit to all the bank's assessment areas.

INVESTMENT TEST

The institution has invested \$50,000 for three years in the Richmond Neighborhood Housing Services (RNHS). This donation will be used for the Neighborhood Ownership Works First Mortgage Program which provides low interest mortgage loans for the purchase and rehabilitation of housing in declining urban neighborhoods. The RNHS also provides downpayment and closing costs assistance, as well as home ownership counseling services. All programs are restricted to low- and moderate-income residents of the City of Richmond. The RNHS is a certified Community Development Financial Institution. Furthermore, a \$245,000 investment has been made by the institution in Richmond Public Housing Authority Bonds.

In addition, the institution made significant contributions totaling approximately \$175,000 from May 1996 through March 1998 to a variety of organizations, including those that primarily serve low- and moderate-income residents of this assessment area. These organizations include but are not limited to the Bainbridge/Blackwell Community Development Corporation, Imani Foundation, Interfaith Housing, Richmond Better Housing Coalition, Habitat for Humanity, and Southside Community Development and Housing Corporation.

As mentioned previously, Crestar Bank initially invested \$1 million in the Crestar CDC to capitalize the organization. In June 1998, this CDC provided a \$2 million investment in the Virginia CDC, which supports low-income housing projects for households earning at or below 60% of the area median income.

Overall, the institution's level of qualified investments within this assessment area is considered reasonable.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. As of March 31, 1998, approximately 100 ATMs are located within the assessment area including facilities situated at branch locations. These ATMs provide local residents with 24-hour nationwide network access. Mail, telephone, and computer (P.C.) banking services are also available to provide customers with 24-hour accessibility. In addition, Crestar Bank has installed 24-Hour Banker machines at numerous locations which allow customers to review account transactions and statements, as well as transfer funds between accounts. The institution also offers the ability to complete and submit certain loan applications for approval over the Internet, including mortgage applications through CMC. Since the previous examination, the bank has implemented a Telephone Bill Payer service, which allows customers to automatically pay a variety of bills.

Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Several branches are open Monday through Friday until 6:00 p.m. and many maintain Saturday hours; specific branch hours vary. In addition, eleven branches within the assessment area offer Sunday hours. The bank's 52 offices are accessible to all segments of the community. Fifteen branches (29%) are located in low- or moderate-income census tracts and an additional four (8%) locations primarily serve low- and moderate-income geographies. Since May 1996, the institution opened eleven new offices, of which three are located in low- and moderate-income census tracts, and closed three branches within the assessment area. One

of the closed locations was situated in a low-income geography.

Community Development Services

The bank provides technical assistance to community development organizations. Bank personnel also routinely provide credit counseling and other assistance to many low- and moderate-income individuals in applying for and understanding credit. Some of the organizations in which Crestar Bank is actively involved include, but are not limited to, the following:

Affordable Housing Organizations

Richmond Better Housing Coalition
Richmond Neighborhood Housing Services
Imani Foundation, Inc.
Interfaith Housing Corporation
Christmas in April
Habitat for Humanity
Historic Jackson Ward Association
Church Hill Neighborhood, Inc.
ElderHomes

Multi-Purpose Community Development Organizations

Richmond Economic Development Corporation
Virginia Community Development Loan Fund
Richmond LISC
Petersburg Economic Action Committee

Small Business/Financial Counseling Organizations

Northside Richmond Business Association
James River Certified Development Corporation
Crater Development Corporation
Bank Participation Loan Pool

Social Services Organizations

Sacred Heart Center
Cross Over Ministries

Daily Planet
 Richmond Goodwill Industry
 Salvation Army

In addition, Crestar Bank has established school savings programs that primarily serve low- and moderate-income individuals in five elementary schools within the assessment area.

The institution's provision of community development services is considered more than reasonable.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NORFOLK-VIRGINIA BEACH-NEWPORT NEWS, VIRGINIA MSA ASSESSMENT AREA:

This assessment area, which accounts for 18% of the bank's overall lending activity, includes the Counties of James City, Gloucester, and York; the Cities of Williamsburg, Chesapeake, Norfolk, Virginia Beach, Portsmouth, Suffolk, Hampton, Newport News, and Poquoson; and census tracts 2803.00 and 2804.00 in Isle of Wight County, Virginia. The institution operates 49 branch facilities throughout this market. The assessment area is included in the Norfolk-Virginia Beach-Newport News MSA and includes 332 census tracts of which 317 are populated. Of the populated geographies, 40 are low-income, 68 are moderate-income, 132 are middle-income, and 77 are upper-income. According to 1990 census data, this assessment area has a population of 1,404,351 and a median housing value of \$86,185. The owner-occupancy rate for the market is 54% which is slightly lower than that for the Commonwealth of Virginia of 61%. The 1998 median family income for the MSA is \$44,600. Based on 1990 census data, 9% of area families are below the poverty level, and 57% of these families reside in low- and moderate-income tracts. Furthermore, 45% of the families residing in low-income geographies and 15% of the families within moderate-income geographies live below the poverty level.

The following table provides demographics for this metropolitan assessment area by the income level of families and the percentage of population living in census tracts of varying income levels. The percentage of owner-occupied units by income level of the census tract is also provided. As illustrated by this chart, 38% of area families are low- and moderate-income, and 26% of the population resides in low- and moderate-income areas.

Demographics for Assessment Area

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	19%	19%	24%	38%	100%
Percentage of Population Residing in Census Tracts by					

Income Level of Tract	8%	18%	48%	26%	100%
Percentage of Owner-Occupied Units by Income Level of Tract	3%	11%	52%	34%	100%

The local economy has experienced steady growth in the past decade despite major reductions in the level of regional defense spending. During 1996, the region lost 8,000 Navy jobs and 2,400 Federal civilian workers as part of the national defense reductions. New employment opportunities, however, were generated from strong growth in the construction, services, and trade industries. Furthermore, several new and existing employers such as Ford Motor Company, Canon, Inc., Gateway 2000, West Telemarketing Corporation, and Lillian Vernon Corporation have been rapidly expanding their operations in the Hampton Roads area. In addition, approximately 30% of the area's residents are employed by the Government sector. Local tourism also provides a substantial number of seasonal jobs for the region. The unemployment rates as of May 1998 range from a low of 1.8% in James City County to a high of 6.1% in the City of Portsmouth. The jobless rate for Virginia is 3%.

Community contacts were conducted during the examination with a local government official and a representative from a local family service organization to further assist in evaluating the bank's CRA performance. The contacts indicated that local financial institutions were supportive of redevelopment efforts in the region.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NORFOLK-VIRGINIA BEACH-NEWPORT NEWS, VIRGINIA MSA ASSESSMENT AREA:

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of loans is reflected in the following tables. The tables represent the institution's lending within this assessment area according to the income level of the census tract.

Distribution of Small Business/Farm Loans by Income Level of Census Tract

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	315	583	1,704	1,179	3,781

Percentage of Total Loans	8%	16%	45%	31%	100%
Total Amount of Loans (000's)	\$30,662	\$65,272	\$183,467	\$125,301	\$404,702
Percentage of Total Amount	8%	16%	45%	31%	100%

Distribution of Consumer Loans by Income Level of Census Tract

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	334	2,046	9,857	6,480	18,717
Percentage of Total Loans	2%	11%	53%	34%	100%
Total Amount of Loans (000's)	\$3,940	\$24,039	\$137,564	\$125,266	\$290,809
Percentage of Total Amount	2%	8%	47%	43%	100%

Distribution of HMDA Loans by Income Level of Census Tract

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	98	431	2,962	2,191	5,682
Percentage of Total Loans	2%	8%	52%	38%	100%
Total Amount of Loans (000's)	\$5,782	\$27,901	\$230,889	\$228,728	\$493,300
Percentage of Total Amount	1%	6%	47%	46%	100%

Overall, 14% (3,807/28,180) of the loans originated within the assessment area were extended to individuals and businesses located in low- and moderate-income census tracts. This level of lending appears low given the percentage of the population (26%) residing in such geographies. Compared to the percentage of the population represented in low-income (8%) and moderate-income (18%) census tracts, the level of consumer loans originated in these geographies (2% in low-income and 11% in moderate-income) is low. Small business/farm lending, however, is comparable to area demographics as the bank extended 8% of its business loans in low-income and 15% in moderate-income areas. Furthermore, the bank's small business lending exceeded the 1996 aggregate small business lending of 4% in low-income and 14% in moderate-income census tracts. The bank's level of HMDA loans extended in low-income (2%) and moderate-income (8%) is somewhat low when compared to the owner-occupied housing in such areas (3% in low-income and 11% in moderate-income geographies). A review of the 1996 aggregate HMDA data of reporting institutions, however, revealed that 11% of HMDA loans within the assessment area were extended in low- and moderate-income census tracts, which corresponds to the representation of such loans reported by Crestar Bank.

Given the local economic conditions and the size and location of the institution, the geographic distribution of lending within the assessment area is considered satisfactory.

Borrowers' Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended within the assessment area by income level of the borrower and to businesses of different sizes.

Distribution of Consumer Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	2,786	4,287	4,853	6,354	18,280
Percentage of Total Loans	15%	23%	27%	35%	100%
Total Amount of Loans (000's)	\$24,189	\$48,182	\$65,591	\$145,943	\$283,905
Percentage of Total Amount	9%	17%	23%	51%	100%

Distribution of HMDA Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	409	1,005	1,545	2,163	5,122
Percentage of Total Loans	8%	20%	30%	42%	100%
Total Amount of Loans (000's)	\$13,868	\$53,693	\$109,128	\$221,881	\$398,570
Percentage of Total Amount	4%	13%	27%	56%	100%

As depicted in the previous tables, the percentage of consumer loans extended to low-income (15%) and moderate-income (23%) borrowers is comparable to the percentage of such families in the assessment area, (19% for both low-income and moderate-income). The percentage of HMDA loans extended to low-income families (8%) is lower than their representation in the area (19%), while HMDA lending to moderate-income families (20%) slightly exceeded area demographics (19%). Furthermore, the aggregate level of HMDA loans (1996 data) made to low-income (7%) and moderate-income (21%) borrowers residing within the assessment area corresponded to Crestar Bank's lending activity. Lending performance within this assessment area is considered reasonable.

Distribution of Lending by Loan Amount and Size of Business or Farm

	\$0 - \$100,000		> \$100,000 - \$250,000		> \$250,000		Total	
Total Revenues ≤ \$1 Million	1,452	38%	141	4%	105	3%	1,698	45%
Total Revenues > \$1 Million	1,444	38%	274	7%	365	10%	2,083	55%
Totals	2,896	76%	415	11%	470	13%	3,781	100%

As illustrated above, 45% (1,698/3,781) of the small business/farm loans in the assessment area were provided to businesses with revenues of \$1 million or less. Furthermore, 38% of the 3,781 small business/farm loans were to borrowers with revenues not exceeding \$1 million and for an amount of \$100,000 or less. Approximately 53% of 1996 aggregate's small business lending activity was to businesses with revenues of \$1 million or less. The bank provides additional small business credit through its participation in the Norfolk Guardian Loan Fund, the Norfolk Enterprise Zone Loan Pool, and the Norfolk Redevelopment and Housing Authority Facade Improvement Program. This level of lending demonstrates that the bank is adequately addressing the credit needs of local small businesses.

Given the local economic conditions and size and location of the institution, the distribution of loans to borrowers of different incomes and to businesses of different sizes is considered reasonable and demonstrates the bank's willingness to meet the credit needs of all segments of this community.

Community Development Loans

The bank has originated the following qualified community development loans within the metropolitan assessment area since the previous evaluation:

A \$35,000 loan to acquire property for the construction of single-family residences that will be sold to low-income home buyers in the City of Newport News. The loan was extended to a nonprofit certified community housing development organization that supports a variety of services in lower income sections of the city.

A \$1.8 million loan to develop vacant land into a shopping center in an area targeted by the City of Norfolk for revitalization.

A \$70,000 increase in a line of credit for the construction of affordable housing in low- and moderate-income areas of the City of Portsmouth. Housing is provided to first-time home buyers that earn less than 80% of the area's median family income. These loans are supplemented by HOME funds from HUD. In addition, the institution provided a \$35,000 loan to the organization for operational expenses.

A \$1 million loan to purchase and renovate a shopping center located in an Enterprise Zone in the City of Suffolk.

To the extent the bank may have originated any additional community development loans, such financing has been reported as small business or HMDA loans.

INVESTMENT TEST

The institution has made contributions totaling approximately \$123,000 from May 1996 through March 1998 to a variety of organizations, including those that primarily serve low- and moderate-income residents of this assessment area. These organizations include but are not limited to Habitat for Humanity, the Seton House, Forward Hampton Roads, the Virginia Peninsula Economic Development Council, and Norfolk Works (SBA program).

As mentioned previously, Crestar Bank initially invested \$1 million in the Crestar CDC to capitalize the organization. In June 1998, this CDC provided a \$2 million investment in the Virginia CDC, which supports low-income housing projects for households earning at or below 60% of the

area median income.

Overall, the institution's level of qualified investments within the assessment area is considered adequate.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. As of March 31, 1998, 102 ATMs were located within the assessment area including facilities situated at branch locations. These ATMs provide local residents with 24-hour nationwide network access. Mail, telephone, and computer (P.C.) banking services are also available to provide customers with 24-hour accessibility. In addition, Crestar Bank has installed 24-Hour Banker machines at numerous locations which allow customers to review account transactions and statements, as well as transfer funds between accounts. The institution also offers the ability to complete and submit certain loan applications for approval over the Internet, including mortgage applications through CMC. Since the previous examination, the bank has implemented a Telephone Bill Payer service, which allows customers to automatically pay a variety of bills.

Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Several branches are open Monday through Friday until 6:00 p.m. and many maintain Saturday hours; specific branch hours vary. In addition, one branch in the City of Williamsburg offers Sunday hours. The bank's 49 offices are accessible to all segments of the community. Nine branches (18%) are located in low- or moderate-income census tracts and an additional five (10%) locations primarily serve low- and moderate-income geographies. Since May 1996, the institution opened a branch in the City of Williamsburg and closed two branches in the Cities of Newport News and Hampton. Both of the closed locations were situated in middle-income geographies. In addition, the institution downsized three branch offices to commercial lobbies with ATMs in the Cities of Portsmouth and Hampton.

Community Development Services

The bank provides technical assistance to community development organizations. Bank personnel also routinely provide credit counseling and other assistance to many low- and moderate-income individuals in applying for and understanding credit. Some of the organizations in which Crestar Bank is actively involved include, but are not limited to, the following:

Affordable Housing Organizations

Gloucester Housing Partnership
James City County Neighborhood Connection Committee
Maude Ellen Coates Foundation (MECA)
Norfolk Redevelopment and Housing Authority

Portsmouth Community Development Group
Rappahannock Housing Consortium
Habitat for Humanity

Small Business/Financial Counseling Organizations

Downtown Norfolk Council
Hampton Roads Economic Development Alliance
Gloucester Industrial Development Authority

Social Services Organization

Bertha Snyder Children's Care Fund
Friends of Hampton Roads
Samaritan Group

In addition, Crestar Bank has established school savings programs that primarily serve low- and moderate-income individuals in two elementary schools and two middle schools within the assessment area.

The institution's provision of community development services is considered more than reasonable.

METROPOLITAN AREAS

(for each metropolitan area where no assessment areas
were reviewed using the examination procedures)

A determination was made whether the institution's performance in each of the following assessment areas is consistent with the institution's overall record in the state. Facts and data were reviewed regarding each area, including demographic information on the assessment area and information on the institution's performance. Information is presented regarding activities that primarily benefit small businesses and low- and moderate-income geographies or individuals. Not all loans included information about borrower income; therefore, only loans that included such information are included in the borrower income analysis. The performance in any particular assessment area is deemed consistent with the overall rating for the state in which the area is located.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ROANOKE, VIRGINIA, MSA:

This market includes the Cities of Roanoke and Salem, Roanoke County, and census tracts 403.00 through 405.00 in Botetourt County, Virginia, and is contained within the Roanoke MSA. The unemployment rates as of May 1998 ranged from a low of 1.9% for Roanoke County to a high of 3.1% for Roanoke City. The current jobless rate for the Commonwealth of Virginia is 3%. Below is some demographic information for the assessment area.

Populated Tracts in Assessment Area	45	1998 MSA Median Family Income	\$45,900

Thirty-eight percent of families in low-income areas and 21% of families in moderate-income areas are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low-Income	Moderate-Income		Low-Income	Moderate-Income
Percentage of Area Families by Income Level	18%	18%	Number of Populated Tracts by Income Level	3	8
Percentage of Population Residing in Tracts by Income Level	3%	14%	Percentage of Owner-Occupied Housing Units by Income Level of Tract	2%	10%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ROANOKE, VIRGINIA MSA:

The bank's lending in low- and moderate-income geographies and to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/Percentage of Loans in Low-Income Tracts	Number/Percentage of Loans to Low-Income Borrowers	Number/Percentage of Loans to Moderate-Income Tracts	Number/Percentage of Loans to Moderate-Income Borrowers	Number/Percentage of Loans to Businesses with Revenues < \$1 Million

Small Business/ Farm Loans	249/20%	N/A	151/12%	N/A	503/39%
HMDA Loans	28/2%	188/12%	163/9%	454/29%	N/A
Consumer Loans	68/2%	646/20%	323/10%	866/26%	N/A

The bank has originated the following qualified community development loans within this assessment area since the previous evaluation:

A \$60,000 loan for the construction of a single-family housing project in a moderate-income census tract which has been targeted for revitalization by the City of Roanoke. The loan was extended to an organization whose primary purpose is to improve housing within lower income neighborhoods. The homes will subsequently be sold to low- and moderate-income families.

A \$15,000 loan to a community service agency that addresses various housing and employment needs of low-income individuals. This loan provided funds for the organization's micro loan pool project which provides a comprehensive small business training program for low- and moderate-income individuals interested in starting their own business.

A \$500,000 loan to renovate several properties including 30 apartment units in a low- and moderate-income census tract in Roanoke. These units are targeted to low- and moderate-income residents and the renovations will assist in revitalizing entire blocks of properties thus stabilizing the local community.

A \$180,000 loan to purchase and renovate six duplexes in a moderate-income census tract in the City of Roanoke. Several tenants receive rent subsidies from the Roanoke Redevelopment and Housing Authority.

INVESTMENT TEST

Donations totaling \$42,300 were provided to a variety of organizations, including those that primarily serve low- and moderate-income residents of this assessment area. These organizations include but are not limited to Habitat for Humanity, Northwest Neighborhood Environmental Organization, Total Action Against Poverty, and Consumer Credit Counseling Services of Virginia. Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no other investments targeting this specific community were identified.

SERVICE TEST

The bank operates fourteen offices in this assessment area, of which two (14%) are located in low- and moderate-income census tracts. An additional four (29%) locations primarily serve low- and moderate-income geographies. One office has been opened and two branches have been closed since

the previous evaluation. One of the closed offices was located within a low-income geography. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LYNCHBURG, VIRGINIA, MSA:

This market, which is included within the Lynchburg MSA, consists of the entire City of Lynchburg, as well as the following census tracts:

<u>Amherst County</u>	<u>Appomattox County</u>	<u>Bedford County</u>	<u>Campbell County</u>
102.00	401.00	301.98	201.98
103.00	402.00	302.00	202.98
104.00		308.96	203.98
105.01		308.97	204.98
105.02		308.98	205.00
106.00		309.96	206.00
		309.97	
		309.98	

As of May 1998, unemployment rates for the assessment area ranged from a low of 2.2% for Amherst County to a high of 3.5% for Appomattox County, compared to the state rate of 3%. Below is some demographic information for the assessment area.

Populated Tracts in Assessment Area	41	1998 MSA Median Family Income	\$40,900
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Thirty-seven percent of families in low-income areas and 20% of families in moderate-income areas are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low-Income	Moderate-Income		Low-Income	Moderate-Income
Percentage of Area Families by Income Level	19%	18%	Number of Populated Tracts by Income Level	4	9

Percentage of Population Residing in Tracts by Income Level	3%	13%	Percentage of Owner-Occupied Housing Units by Income Level of Tract	1%	8%
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CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LYNCHBURG, VIRGINIA MSA:

LENDING TEST

The bank's lending in low- and moderate-income geographies and to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income Tracts	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans Moderate- Income Tracts	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million
Small Business/ Farm Loans	52/7%	N/A	98/14%	N/A	298/43%
HMDA Loans	11/1%	120/7%	166/9%	379/23%	N/A
Consumer Loans	22/1%	426/16%	219/8%	638/25%	N/A

INVESTMENT TEST

Donations totaling \$27,550 were provided to a variety of organizations, including those that primarily serve low- and moderate-income residents of this assessment area. These organizations include but are not limited to Christmas in April, Habitat for Humanity, Lynchburg Neighborhood Development Corporation, and Consumer Credit Counseling. Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no additional investments targeting this specific community were identified.

SERVICE TEST

The bank operates eight offices in this assessment area, of which one is located in a moderate-income geography and one serves such geographies. A branch office was opened in Amherst County; no offices have been closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CHARLOTTESVILLE, VIRGINIA, MSA:

This market, which is included within the Charlottesville MSA, consists of the City of Charlottesville and Albemarle County. The unemployment rates as of May 1998 for Charlottesville and Albemarle County were 1.6% and 1.3%, respectively, compared to the state rate of 3%. Below is some demographic information for the assessment area.

Populated Tracts in Assessment Area	30	1998 MSA Median Family Income	\$51,100

Thirty-three percent of the families residing in low-income areas and 16% of the families within moderate-income areas are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low-Income	Moderate-Income		Low-Income	Moderate-Income
Percentage of Area Families by Income Level	18%	17%	Number of Populated Tracts by Income Level	2	6
Percentage of Population Residing in Tracts by Income Level	4%	20%	Percentage of Owner-Occupied Housing Units by Income Level of Tract	1%	10%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CHARLOTTESVILLE, VIRGINIA, MSA:

LENDING TEST

The bank's lending in low- and moderate-income geographies and to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income Tracts	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans Moderate- Income Tracts	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million
Small Business/ Farm Loans	8/2%	N/A	70/13%	N/A	234/44%
HMDA Loans	4/1%	17/6%	28/9%	45/17%	N/A
Consumer Loans	25/1%	337/18%	151/8%	496/26%	N/A

The bank has originated the following qualified community development loans within this assessment area since the previous evaluation:

A \$25,000 line of credit to fund a micro enterprise program that provides loans to low- and moderate-income small businesses. This loan pool is funded by six institutions, the Virginia Economic Development Corporation, and the Alliance for Inter-Faith Ministries. In addition to providing small business financing, the organization offers business education, counseling, and technical assistance. Since July 1996, 19 loans have been extended to area businesses totaling approximately \$237,000.

A \$7,000 loan to purchase and renovate a vacant duplex that receives rent subsidies from the City of Charlottesville and Albemarle County.

INVESTMENT TEST

Donations totaling \$20,100 were provided to a variety of organizations, including those that primarily serve low- and moderate-income residents of this assessment area. These organizations include Christmas in April, Shelter for Help in Emergency, and Thomas Jefferson Economic Development Partnership. Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no additional

investments targeting this specific community were identified.

SERVICE TEST

The bank operates six offices in this assesment area, of which one branch primarily serves low- and moderate-income geographies. No offices have been opened or closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

NONMETROPOLITAN STATEWIDE AREAS

(for nonmetropolitan areas with some or all assessment areas reviewed using the examination procedures)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SHENANDOAH VALLEY REGION OF VIRGINIA:

This assessment area accounts for 6% of the bank's total lending activity and includes the Counties of Shenandoah, Augusta, Page, Rockbridge, and Rockingham; the Cities of Winchester, Staunton, Waynesboro, Lexington, Harrisonburg, and Buena Vista; and census tracts 501.00, 502.00, 505.00 through 511.98, and 513.95 through 514.98 in Frederick County, Virginia. Crestar Bank maintains 15 branches within this market. The area consists of 105 block numbering areas (BNAs)/census tracts, of which 77 are populated. Of the populated geographies, one is moderate-income, 45 are middle-income, and 31 are upper-income. There are no populated low-income areas within the market. According to 1990 census data, this assessment area has a population of 330,725 and a median housing value of \$72,307. The owner-occupancy rate for the market is 64%, slightly higher than the rate for the Commonwealth of Virginia (61%) and consistent with the rate for nonmetropolitan areas within the state (65%). The 1998 median family income for nonmetropolitan areas of Virginia is \$35,900. Based on 1990 census data, 7% of area families are below the poverty level; 22% of the families residing in moderate-income geographies live below the poverty level.

The following table provides demographics for this assessment area by the income level of families and the percentage of population living in census tracts/BNAs of varying income levels. The percentage of owner-occupied units by income level of the geography is also provided. As illustrated by this chart, 29% of area families are low- and moderate-income, and <1% of the population resides in moderate-income areas

Demographics for Assessment Area

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	13%	16%	24%	47%	100%

Percentage of Population Residing in Tract/BNA by Income Level of Tract/BNA	0%	<1%	58%	42%	100%
Percentage of Owner-Occupied Housing Units by Income Level of Tract/BNA	0%	<1%	59%	41%	100%

The local economy has experienced rapid growth in the past decade, attracting many businesses, investors, and retirees from the Washington, D. C. area. Employment opportunities are provided by various manufacturing firms including Abex Corporation, Rubbermaid Commercial Products, VDO North America, Lear Corporation, National Fruit Product Company, and O'Sullivan Corporation. In the more rural portions of the assessment area, major industries also include agriculture, tourism, poultry, and antique trading. The unemployment rates as of May 1998 range from a low of 1.4% in Rockingham County to a high of 3.2% in the City of Waynesboro. The jobless rate for Virginia is 3%.

A community contact was recently made with a local small business development center to further assist in evaluating the bank's CRA performance. The contact indicated that local financial institutions appear to be adequately meeting the credit needs of local small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SHENANDOAH VALLEY REGION OF VIRGINIA:

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of loans is reflected in the following tables. The tables represent the institution's lending within this assessment area according to the income level of census tract/BNA.

Distribution of Small Business/Farm Loans by Income Level of Tract/BNA

	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	13	502	648	1,163
Percentage of Total Loans	1%	43%	56%	100%

Total Amount of Loans (000's)	\$1,292	\$52,923	\$56,107	\$110,322
Percentage of Total Amount	1%	48%	51%	100%

Distribution of Consumer Loans by Income Level of Tract/BNA

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	9	3,185	2,139	5,333
Percentage of Total Loans	<1%	60%	40%	100%
Total Amount of Loans (000's)	\$80	\$44,999	\$35,144	\$80,223
Percentage of Total Amount	<1%	56%	44%	100%

Distribution of HMDA Loans by Income Level of Tract/BNA

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	4	1,207	1,345	2,556
Percentage of Total Loans	<1%	47%	53%	100%
Total Amount of Loans (000's)	\$133	\$87,587	\$139,533	\$227,253
Percentage of Total Amount	<1%	39%	61%	100%

Overall, less than 1% (26/9,052) of the loans originated within the assessment area were extended to individuals and businesses located in moderate-income census tracts/BNAs. This level of lending mirrors the percentage of population residing in such geographies. Given the local economic

conditions and the size and location of the institution, the bank's loan distribution within this assessment area is considered reasonable.

Borrowers' Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended within the assessment area by income level of the borrower and to businesses of different sizes.

Distribution of Consumer Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	582	1,017	1,377	2,247	5,223
Percentage of Total Loans	11%	20%	26%	43%	100%
Total Amount of Loans (000's)	\$4,268	\$10,360	\$17,441	\$45,733	\$77,802
Percentage of Total Amount	6%	13%	22%	59%	100%

Distribution of HMDA Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	67	255	573	1,399	2,294
Percentage of Total Loans	3%	11%	25%	61%	100%
Total Amount of Loans (000's)	\$1,586	\$12,442	\$36,400	\$138,125	\$188,553
Percentage of Total Amount	1%	7%	19%	73%	100%

The percentage of consumer loans extended to low-income borrowers (11%) closely corresponds to the representation of such families (13%) within the assessment area. Furthermore, the volume of consumer loans to moderate-income borrowers (20%) is higher than the representation of such families (16%) in the area. While the percentage of HMDA loans to both low-income (3%) and moderate-income (11%) individuals is significantly lower than area demographics, this lending activity is only slightly lower than the 1996 aggregate HMDA lending activity (5% to low-income and 15% to moderate-income borrowers).

Distribution of Lending by Loan Amount and Size of Business or Farm

	\$0 - \$100,000		> \$100,000 - \$250,000		> \$250,000		Total	
Total Revenues ≤ \$1 Million	451	39%	51	4%	29	3%	531	46%
Total Revenues > \$1 Million	496	42%	54	5%	82	7%	632	54%
Totals	947	81%	105	9%	111	10%	1,163	100%

As illustrated above, 46% (531/1,163) of the small business/farm loans in the assessment area were provided to businesses with revenues of \$1 million or less. Furthermore, 39% of these loans were for an amount of \$100,000 or less. According to the 1996 aggregate lending data, approximately 71% of small business lending activity was to businesses with revenues of \$1 million or less. The institution, however, is actively involved in various organizations that routinely provide financing to small businesses throughout the assessment area. Such organizations include the Lexington Downtown Development Association, the Staunton Downtown Development Association, the Staunton/Waynesboro Bank Community Development Corporation, and the Harrisonburg Downtown Redevelopment Loan Pool. The bank's level of lending demonstrates that the bank is adequately addressing the credit needs of local small businesses.

Given the product lines offered by the institution, the distribution of loans to borrowers of different incomes and to businesses of different sizes is considered reasonable and demonstrates the bank's willingness to meet the credit needs of all segments of this community.

Community Development Loans

To the extent the bank may have originated any community development loans, such financing has been reported as small business or HMDA loans.

INVESTMENT TEST

The bank has invested \$25,000 in the Staunton, Waynesboro, Augusta County Community Development Corporation. Crestar Bank along with four other local lending institutions formed this CDC to support affordable housing efforts within the region. Currently the CDC has provided funds to the local Habitat for Humanity to purchase land for the construction of lower-income housing. In addition, the institution made contributions totaling approximately \$14,000 from May 1996 through March 1998 to a variety of organizations, including those that primarily serve low- and moderate-income residents of this assessment area. These organizations include but are not limited to Habitat for Humanity, Augusta Regional Free Clinic, Rockbridge Area Free Clinic, and Choices.

As mentioned previously, Crestar Bank invested \$1 million in the Crestar CDC to capitalize the organization. In June 1998, this CDC provided a \$2 million investment in the Virginia CDC, which supports low-income housing projects throughout Virginia for households earning at or below 60% of the area median income.

Overall, the institution's level of qualified investments within the assessment area is considered adequate.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. As of March 31, 1998, 21 ATMs were located within the assessment area including facilities situated at branch locations. These ATMs provide local residents with 24-hour nationwide network access. Mail, telephone, and computer (P.C.) banking services are also available to provide customers with 24-hour accessibility. In addition, Crestar Bank has installed 24-Hour Banker machines at numerous locations which allow customers to review account transactions and statements, as well as transfer funds between accounts. The institution also offers the ability to complete and submit certain loan applications for approval over the Internet, including mortgage applications through CMC. Since the previous examination, the bank has implemented a Telephone Bill Payer service, which allows customers to automatically pay a variety of bills.

Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Several branches are open Monday through Friday until 6:00 p.m. and many maintain Saturday hours; specific branch hours vary. In addition, two branches, one in the City of Harrisonburg and one in the City of Winchester, offer Sunday hours. The bank's 15 offices are accessible to all segments of the community and one branch is located in a moderate-income census tract. Since May 1996, the institution opened two branches in the Cities of Harrisonburg and Winchester and closed two branches in the Cities of Lexington and Winchester. Both of the closed locations were situated in middle- or upper-income geographies.

Community Development Services

The bank provides technical assistance to community development organizations. Bank personnel also routinely provide credit counseling and other

assistance to many low- and moderate-income individuals in applying for and understanding credit. Some of the organizations in which Crestar Bank is actively involved include, but are not limited to, Habitat for Humanity, James Madison University Small Business Development Center, Lord Fairfax Small Business Development Center, Rockbridge Area Free Clinic, and the Staunton/Waynesboro Community Development Corporation.

The institution's provision of community development services is considered reasonable.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WEST PIEDMONT REGION OF VIRGINIA:

This market, which accounts for 3% of the bank's overall lending activity, contains eight branch locations. The assessment area includes the City of Martinsville and the Counties of Henry, Patrick, and Franklin, Virginia. The area consists of 31 census tracts, of which 30 are populated. Of the populated geographies, one is moderate-income, 26 are middle-income, and three are upper-income. There are no populated low-income census tracts within the assessment area. According to 1990 census data, this assessment area has a population of 130,126 and a median housing value of \$53,985. The owner-occupancy rate for the market is 69%, slightly higher than the rate for the Commonwealth of Virginia (61%) and the rate for nonmetropolitan areas within the state (65%). The 1998 median family income for nonmetropolitan areas of Virginia is \$35,900. Nine percent of area families are below the poverty level, and 23% of families residing in moderate-income geographies are below the poverty level.

The following table provides demographics for the assessment area by the income level of families and the percentage of population living in geographies of varying income levels. The percentage of owner-occupied units within each type of census tract, as well as the number of geographies by income level, is also provided below.

Demographics for Assessment Area

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	17%	18%	25%	40%	100%
Percentage of Population Residing in Tract by Income Level of Tract	0%	3%	87%	10%	100%
Percentage of Owner- Occupied Housing Units by Income Level of Tract	0%	2%	87%	11%	100%

The local economy is primarily dependent upon the manufacturing industry. Major employers for the area include Tultex, Bassett Furniture, Bassett-Walker, Hooker Furniture, Drake Extrusion, E.I. DuPont, American of Martinsville, Stanley Furniture, Fieldcrest-Cannon, and Courtaulds Performance Films. The unemployment rates as of May 98 for these areas range from a low of 2.1% in Franklin County to a high of 4.2% in the City of Martinsville. The jobless rate for Virginia is 3%.

A community contact was recently made with a local government official to further assist in evaluating the bank's CRA performance. The contact indicated that additional small business development and affordable housing programs would be beneficial to area residents.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE WEST PIEDMONT REGION OF VIRGINIA:

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of loans is reflected in the following tables. The tables represent the institution's lending within this assessment area according to the income level of the census tract. As mentioned previously, there are no populated low-income geographies within the assessment area.

Distribution of Small Business/Farm Loans by Income Level of Tract

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	15	414	39	468
Percentage of Total Loans	3%	89%	8%	100%
Total Amount of Loans (000's)	\$3,689	\$33,669	\$2,557	\$39,915
Percentage of Total Amount	9%	85%	6%	100%

Distribution of Consumer Loans by Income Level of Tract

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	98	2,736	320	3,154
Percentage of Total Loans	3%	87%	10%	100%
Total Amount of Loans (000's)	\$762	\$27,282	\$6,645	\$34,689
Percentage of Total Amount	2%	79%	19%	100%

Distribution of HMDA Loans by Income Level of Tract

	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	29	924	166	1,119
Percentage of Total Loans	3%	82%	15%	100%
Total Amount of Loans (000's)	\$839	\$43,097	\$14,271	\$58,207
Percentage of Total Amount	1%	74%	25%	100%

Overall, 3% (142/4,741) of the loans originated within the assessment area were extended to individuals and businesses located in moderate-income census tracts. This volume of lending mirrors the percentage of the population residing in such areas. Given the local economic conditions and the size and location of the institution, the bank's loan distribution within the assessment area is considered reasonable.

Borrowers' Profile

The following charts illustrate the distribution of consumer, HMDA, and small business/farm loans extended within the assessment area by income

level of the borrower and to businesses of different sizes.

Distribution of Consumer Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	600	898	744	858	3,100
Percentage of Total Loans	19%	29%	24%	28%	100%
Total Amount of Loans (000's)	\$2,949	\$6,713	\$7,036	\$16,510	\$33,208
Percentage of Total Amount	9%	20%	21%	50%	100%

Distribution of HMDA Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	126	225	308	405	1,064
Percentage of Total Loans	12%	21%	29%	38%	100%
Total Amount of Loans (000's)	\$1,972	\$6,727	\$13,137	\$30,934	\$52,770
Percentage of Total Amount	4%	13%	25%	58%	100%

The percentage of consumer loans extended to both low- and moderate-income borrowers (48%) is significantly higher than the representation of such families (35%) within the assessment area. While the bank's level of HMDA loans (12%) extended to low-income borrowers is lower than area demographics (17%), this volume of lending exceeds the aggregate lending activity reported for 1996 (10%). Furthermore, the percentage of HMDA loans provided to moderate-income borrowers (21%) surpasses both area demographics (18%) and aggregate lending data (18%).

Distribution of Lending by Loan Amount and Size of Business or Farm

	\$0 - \$100,000		> \$100,000 - \$250,000		> \$250,000		Total	
Total Revenues ≤ \$1 Million	236	51%	24	5%	7	1%	267	57%
Total Revenues > \$1 Million	147	31%	22	5%	32	7%	201	43%
Totals	383	82%	46	10%	39	8%	468	100%

A majority (57%) of the small business/farm loans in the assessment area were provided to businesses with revenues of \$1 million or less. Furthermore, 51% of the 468 small business/farm loans were to borrowers with revenues not exceeding \$1 million and for an amount of \$100,000 or less. According to 1996 aggregate lending data, approximately 77% of small business lending activity was to businesses with revenues of \$1 million or less. Crestar Bank, however, is involved in various organizations that routinely provide financing to area small businesses. Such organizations include the Rocky Mount Enterprise Zone Loan Pool, Franklin County Microbusiness Loan Fund, and the Martinsville Uptown Revitalization Association. In particular, Crestar Bank committed \$50,000 to the Rocky Mount Enterprise Zone Loan Pool to fund businesses locating or expanding within the designated Enterprise Zone. The institution's level of lending reflects a responsiveness to the credit needs of local small businesses.

Community Development Loans

The bank extended a \$250,000 loan for the construction of eight townhomes that will be sold to low- and moderate-income families in conjunction with VHDA financing. To the extent the bank may have originated any additional community development loans, such financing has been reported as small business or HMDA loans. In particular, the bank financed a \$20,500 loan for renovations to a church for the operation of a day care facility. This church is located in a low- and moderate-income census tract and the day care will primarily serve lower income residents.

INVESTMENT TEST

Donations totaling \$6,300 were provided to several organizations that primarily serve low- and moderate-income residents of the assessment area. Such organizations include the Habitat for Humanity, Support To Eliminate Poverty, Inc., the Rainbow House (a shelter for abused families), and Telamon Corporation (an affordable housing program in rural areas of Virginia).

As mentioned previously, Crestar Bank invested \$1 million in the Crestar CDC to capitalize the organization. In June 1998, this CDC provided a \$2 million investment in the Virginia CDC, which supports low-income housing projects throughout Virginia for households earning at or below 60% of the area median income.

Overall, the institution's level of qualified investments within the assessment area is considered adequate.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment area. As of March 31, 1998, nine ATMs were located within the assessment area including facilities situated at branch locations. These ATMs provide local residents with 24-hour nationwide network access. Mail, telephone, and computer (P.C.) banking services are also available to provide customers with 24-hour accessibility. In addition, Crestar Bank has installed 24-Hour Banker machines at numerous locations which allow customers to review account transactions and statements, as well as transfer funds between accounts. The institution also offers the ability to complete and submit certain loan applications for approval over the Internet, including mortgage applications through CMC. Since the previous examination, the bank has implemented a Telephone Bill Payer service which allows customers to automatically pay a variety of bills.

Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Several branches are open Monday through Friday until 6:00 p.m. and many maintain Saturday hours; specific branch hours vary. In addition, one branch in the City of Martinsville offers Sunday hours. The bank's eight offices are accessible to all segments of the community and one branch is located in a moderate-income census tract. Since May 1996, the institution opened two branches in the City of Martinsville and Franklin County. One branch, which was located in a middle-income census tract in Henry County, was closed.

Community Development Services

The bank provides technical assistance to community development organizations. Bank personnel also routinely provide credit counseling and other assistance to many low- and moderate-income individuals in applying for and understanding credit. Some of the organizations in which Crestar Bank is involved include the Franklin County Free Clinic, the Franklin County Developmental Center, Habitat for Humanity, and Franklin County Microbusiness Loan Fund.

The institution's provision of community development services is considered reasonable.

NONMETROPOLITAN STATEWIDE AREAS

(for each nonmetropolitan area where no assessment areas were reviewed using the examination procedures)

A determination was made whether the institution's performance in each of the following assessment areas is consistent with the institution's overall record in the state. Facts and data were reviewed regarding each area, including demographic information on the assessment area and information on the institution's performance. Information is presented regarding activities that primarily benefit small businesses and low- and moderate-income geographies or individuals. Not all loans included information about borrower income; therefore, only loans that contained such information are included in the borrower income analysis. The performance in any particular assessment area is deemed consistent with the overall rating for the state in which the area is located.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN HALIFAX COUNTY, VIRGINIA:

The unemployment rate as of May 1998 for Halifax County is 6.9% compared to the state rate of 3%. Below is some demographic information for the assessment area.

Populated BNAs in Assessment Area	7	1998 Nonmetropolitan Virginia Median Family Income	\$35,900

This assessment area has no populated low- or moderate-income geographies. Twenty-two percent of the area families are considered low-income and 19% are considered moderate-income.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN HALIFAX COUNTY:

LENDING TEST

The bank's lending to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income BNAs	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans Moderate- Income BNAs	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million

Small Business/ Farm Loans	N/A	N/A	N/A	N/A	94/55%
HMDA Loans	N/A	19/10%	N/A	31/16%	N/A
Consumer Loans	N/A	150/17%	N/A	252/28%	N/A

INVESTMENT TEST

Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no other investments targeting this specific community were identified.

SERVICE TEST

The bank currently operates two offices in this assessment area. One office was closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RADFORD ASSESSMENT AREA:

This market includes the City of Radford and the following census tracts in Montgomery and Pulaski Counties, Virginia:

Montgomery County

212.00
215.98
216.97
216.98

Pulaski County

2101.00
2105.98
2106.00
2108.98

The unemployment rates as of May 1998 for the City of Radford and Montgomery and Pulaski Counties are 3.3%, 2.3%, and 4%, respectively, compared to the state rate of 3%. Below is some demographic information for the assessment area.

Populated Tracts in Assessment Area	8	1998 Nonmetropolitan Virginia Median Family Income	\$35,900

The following table provides information about low- and moderate-income geographies and families.

	Low- Income	Moderate- Income		Low- Income	Moderate- Income
Percentage of Area Families by Income Level	16%	19%	Number of Populated Tracts by Income Level	1	0
Percentage of Population Residing in Tracts by Income Level	<1%	0%	Percentage of Owner-Occupied Housing Units by Income Level of Tract	<1%	0%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE RADFORD ASSESSMENT AREA:

LENDING TEST

The bank's lending in low- and moderate-income geographies and to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income Tracts	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income Tracts	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million
Small Business/ Farm Loans	0	N/A	N/A	N/A	73/70%
HMDA Loans	0	27/10%	N/A	47/18%	N/A

Consumer Loans	0	101/14%	N/A	156/21%	N/A
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The bank has financed the following qualified community development loan within the assessment area since the previous examination:

A \$75,000 line of credit for the construction and renovation of affordable housing in the Town of Blacksburg. This housing will be subsequently sold to qualifying low- and moderate-income families.

INVESTMENT TEST

Donations were made to the Habitat for Humanity and Beans and Rice (provides food to low-income individuals). Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no additional investments targeting this specific community were identified.

SERVICE TEST

The bank operates three offices in this assessment area. No offices have been opened or closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ACCOMACK AND NORTHAMPTON COUNTIES, VIRGINIA:

The unemployment rates as of January 1998 for Accomack and Northampton Counties are 7.4% and 4.5%, respectively, compared to the state rate of 3%. Below is some demographic information for the assessment area.

Populated BNAs in Assessment Area	11	1998 Nonmetropolitan Virginia Median Family Income	\$35,900

Twenty-one percent of families residing in moderate-income geographies are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low- Income	Moderate- Income		Low- Income	Moderate- Income
Percentage of Area Families by Income Level	27%	20%	Number of Populated BNAs by Income Level	0	4
Percentage of Population Residing in BNAs by Income Level	0%	37%	Percentage of Owner-Occupied Housing Units by Income Level of BNA	0%	34%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ACCOMACK AND NORTHAMPTON COUNTIES, VIRGINIA:

LENDING TEST

The bank's lending in moderate-income geographies and to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income BNAs	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans Moderate- Income BNAs	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million
Small Business/ Farm Loans	N/A	N/A	38/33	N/A	78/68%
HMDA Loans	N/A	32/15%	100/42%	51/23%	N/A

Consumer Loans	N/A	96/16%	262/43%	170/28%	N/A
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INVESTMENT TEST

Donations have been made to the Eastern Shore Housing Conference, the Eastern Shore Economic Empowerment and Housing, and the Eastern Shore Economic Development Commission. Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no additional investments targeting this specific community were identified.

SERVICE TEST

The bank operates five offices in this assessment area, of which three are located in moderate-income geographies and one serves such geographies. One branch facility located in a moderate-income geography has been closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ORANGE COUNTY, VIRGINIA:

The unemployment rate as of May 1998 for Orange County is 2.7%, compared to the state rate of 3%. Below is some demographic information for the assessment area.

BNAs in Assessment Area	3	1998 Nonmetropolitan Virginia Median Family Income	\$35,900

This assessment area has no low- or moderate-income geographies. Eleven percent of the area families are considered low-income and 16% are considered moderate-income.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ORANGE COUNTY:

LENDING TEST

The bank's lending to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income BNAs	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans Moderate- Income BNAs	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million
Small Business/ Farm Loans	N/A	N/A	N/A	N/A	7/100%
HMDA Loans	N/A	2/2%	N/A	11/11%	N/A
Consumer Loans	N/A	29/9%	N/A	59/18%	N/A

INVESTMENT TEST

Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no other investments targeting this specific community were identified.

SERVICE TEST

The bank operates one office in this assessment area. No branch facilities have been opened or closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CITY OF FRANKLIN AND SOUTHAMPTON COUNTY, VIRGINIA:

The unemployment rates as of May 1998 for Franklin City and Southampton County are 3.6% and 3%, respectively, compared to the state rate of 3%. Below is some demographic information for the assessment area.

Populated Tracts in Assessment Area		1998 Nonmetropolitan Virginia	
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	8	Median Family Income	\$35,900

Twenty-six percent of families residing in moderate-income geographies are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low- Income	Moderate- Income		Low- Income	Moderate- Income
Percentage of Area Families by Income Level	22%	15%	Number of Populated Tracts by Income Level	0	1
Percentage of Population Residing in Tracts by Income Level	0%	17%	Percentage of Owner-Occupied Housing Units by Income Level of Census Tract	0%	12%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CITY OF FRANKLIN AND SOUTHAMPTON COUNTY:

LENDING TEST

The bank's lending to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income Tracts	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans in Moderate- Income Tracts	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million

Small Business/ Farm Loans	N/A	N/A	1/1%	N/A	46/58%
HMDA Loans	N/A	6/14%	11/24%	10/24%	N/A
Consumer Loans	N/A	18/8%	40/17%	64/28%	N/A

INVESTMENT TEST

Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no other investments targeting this specific community were identified.

SERVICE TEST

The bank operates one office which is located in a moderate-income census tract in the assessment area. No branch facilities have been opened or closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

STATE RATING

CRA RATING FOR THE STATE OF MARYLAND: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

SCOPE OF EXAMINATION

As previously mentioned, direct lending is the primary means taken by the institution to serve the communities in which it operates. As such, analyses were conducted on small business/farm loans, HMDA loans, and several categories of consumer loans chosen by the institution. The data were reviewed to determine the geographic distribution of the bank's lending, as well as the volume of loans provided to borrowers of different incomes. Institutional efforts to serve its markets through qualified community development investments and services were also reviewed. The institution has three markets in Maryland (excluding the portion of the State that is included in the CMSA) that consist of Dorchester, Talbot, Wicomico, and

Worcester Counties; Kent County; and St. Mary's County. These assessment areas only account for 2% of the bank's overall lending activity within all its markets. These assessment areas were reviewed through an analysis of available facts and data, and general conclusions concerning the bank's performance within these communities are discussed later in this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MARYLAND:

The institution has seven branches located within the state, excluding the portion of Maryland that is included within the Washington CMSA, with facilities located throughout its assessment areas, including low- and moderate-income geographies. Based on 1990 census data, the state has a total population of approximately 4.8 million, including nearly 1.3 million families. A majority of the families are middle- and upper-income (63%), while low- and moderate-income families each comprise 18% and 19% of the total. Approximately 6% of the families live below the poverty level. The 1998 median family income for nonmetropolitan areas in Maryland is \$44,100.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MARYLAND:

LENDING TEST

As mentioned previously, only 2% of the bank's loan activity takes place within the three assessment areas in Maryland. These markets are located along the Chesapeake Bay area and are primarily rural. The geographic distribution of consumer and HMDA loans in low- and moderate-income areas either approximated or exceeded the percentage of the population residing in such geographies in the bank's assessment areas. However, small business/farm loans extended in low- and moderate-income areas varied among the assessment areas. Overall lending to low- and moderate-income borrowers is generally lower than the percentage of low- and moderate-income families within the assessment areas. A majority of small business/farm loans were provided to entities with annual revenues of \$1 million or less, and a majority of these loans were for an amount of \$100,000 or less.

INVESTMENT TEST

As previously mentioned, the bank's level of responding to community development needs through its investment activity is rated low satisfactory. While, bank management reported no community development investment activity unique to these assessment areas, investments that benefit all the bank's markets have been provided. As mentioned previously, the institution invested \$1 million in the Crestar CDC to capitalize the organization. Crestar Bank's limited presence in this market has precluded sufficient qualified investment activity. The number and dollar volume of qualified investments made by the institution is considered to be adequate.

SERVICE TEST

The statewide rating for the institution under the service test is high satisfactory. Its delivery systems are accessible to geographies and individuals of all income levels within its assessment areas, and its record of opening and closing branches has not adversely affected the accessibility to its services. All products and services currently offered in Virginia are also available in the Maryland market, and the institution's participation in community development services is considered reasonable.

NONMETROPOLITAN STATEWIDE AREAS

(for each nonmetropolitan area where no assessment areas were reviewed using the examination procedures)

A determination was made whether the institution's performance in each of the following assessment areas is consistent with the institution's overall record in the state. Facts and data were reviewed regarding each area, including demographic information on the assessment area and information on the institution's performance. Information is presented regarding activities that primarily benefit small businesses and low- and moderate-income geographies or individuals. Not all loans included information about borrower income; therefore, only loans that contained such information are included in the borrower income analysis. The performance in any particular assessment area is deemed consistent with the overall rating for the state in which the area is located.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN DORCHESTER, TALBOT, WICOMICO, AND WORCHESTER COUNTIES, MARYLAND:

The unemployment rates as of May 1998 for Dorchester, Talbot, Wicomico, and Worcester Counties are 11.5%, 3.9%, 5.6%, and 7.5%, respectively. The jobless rate for the State of Maryland is 4.4%. Below is some demographic information for the assessment area.

Populated Tracts/BNAs in Assessment Area	57	1998 Nonmetropolitan Maryland Median Family Income	\$44,100

Thirty-eight percent of families residing in low-income geographies and 17% in moderate-income geographies are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low- Income	Moderate- Income		Low- Income	Moderate- Income
Percentage of Area Families by Income Level	20%	18%	Number of Populated Tracts/BNAs by Income Level	4	8
Percentage of Population Residing in Tracts/BNAs by Income			Percentage of Owner-Occupied Housing Units by Income Level of		

Level	1%	15%	Tract/BNA	<1%	10%
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CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DORCHESTER, TALBOT, WICOMICO, AND WORCHESTER COUNTY:

LENDING TEST

The bank's lending to low- and moderate-income geographies and to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income Tracts/BNAs	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans Moderate- Income Tracts/BNAs	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million
Small Business/ Farm Loans	0/0%	N/A	1/17%	N/A	3/50%
HMDA Loans	85/7%	26/2%	155/12%	137/13%	N/A
Consumer Loans	3/<1%	67/8%	77/8%	174/20%	N/A

INVESTMENT TEST

Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no other investments targeting this specific community were identified.

SERVICE TEST

The bank operates four offices in this assessment area, of which one is in a moderate-income geography and two primarily serve such geographies. No offices have been opened or closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services

available to other communities the bank serves.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ST. MARY'S COUNTY, MARYLAND:

Crestar Bank added St. Mary's County, Maryland, as an assessment area as a result of the merger with Citizens Bank in March 1997. The unemployment rate as of May 1998 for St Mary's County is 4%, compared to the state rate of 4.4%. Below is some demographic information for the assessment area.

Populated BNAs in Assessment Area	13	1998 Nonmetropolitan Maryland Median Family Income	\$44,100

This assessment area has no low- or moderate-income geographies. Thirteen percent of the area families are considered low-income and 16% are considered moderate-income.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ST. MARY'S COUNTY:

LENDING TEST

The bank's lending to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income BNAs	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans Moderate- Income BNAs	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million
Small Business/ Farm Loans	N/A	N/A	N/A	N/A	2/33%
HMDA Loans	N/A	2/1%	N/A	10/5%	N/A

Consumer Loans	N/A	31/5%	N/A	84/15%	N/A
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INVESTMENT TEST

Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no other investments targeting this specific community were identified.

SERVICE TEST

As mentioned previously, the bank operates two offices in this assessment area that were acquired through the Citizens Bank merger in March 1997. No offices have been closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KENT COUNTY, MARYLAND:

The unemployment rate as of May 1998 for Kent County is 5.1%, compared to the state rate of 4.4%. Below is some demographic information for the assessment area.

Populated BNAs in Assessment Area	5	1998 Nonmetropolitan Maryland Median Family Income	\$44,100
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Thirteen percent of families residing in moderate-income geographies are below the poverty level.

The following table provides information about low- and moderate-income geographies and families.

	Low-Income	Moderate-Income		Low-Income	Moderate-Income
Percentage of Area Families by Income Level	18%	17%	Number of Populated BNAs by Income Level	0	1
Percentage of Population Residing			Percentage of Owner-Occupied Housing		

in BNAs by Income Level	0%	15%	Units by Income Level of BNA	0%	18%
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CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KENT COUNTY:

LENDING TEST

The bank's lending to moderate-income geographies and to low- and moderate-income borrowers is summarized in the following table.

Loan Originations/Purchases					
	Number/ Percentage of Loans in Low-Income BNAs	Number/ Percentage of Loans to Low-Income Borrowers	Number/ Percentage of Loans to Moderate- Income BNAs	Number/ Percentage of Loans to Moderate- Income Borrowers	Number/ Percentage of Loans to Businesses with Revenues < \$1 Million
Small Business/ Farm Loans	N/A	N/A	0/0%	N/A	8/100%
HMDA Loans	N/A	3/7%	6/12%	6/13%	N/A
Consumer Loans	N/A	21/1%	36/19%	54/29%	N/A

INVESTMENT TEST

Except for investments that benefit a statewide or regional area that includes this assessment area, as previously discussed, no other investments targeting this specific community were identified.

SERVICE TEST

The bank operates one office in this assessment area. No offices have been opened or closed since the previous evaluation. The services offered in this assessment area are substantially the same as the services available to other communities the bank serves.