

PUBLIC DISCLOSURE

April 4, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Century Bank, Inc.

569422

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Federal Reserve Bank of Richmond

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

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable given the bank's size, financial condition, and credit needs of the bank's assessment areas.
- A substantial majority of the institution's Home Mortgage Disclosure Act (HMDA) and motor vehicle-secured loans were originated within the bank's assessment areas.
- While the bank's lending to borrowers of different income levels varies between reasonable (West Virginia) and poor (Virginia), its performance overall is considered reasonable.
- The bank's geographic distribution performance in West Virginia is considered excellent and is considered reasonable in Virginia. Overall, the bank's performance is considered excellent.
- The bank's community development performance demonstrates an adequate level of responsiveness to the community development needs within West Virginia and Virginia.
- The institution has not received any complaints regarding its Community Reinvestment Act performance since the previous evaluation.

SCOPE OF EXAMINATION

The institution was evaluated using the interagency examination procedures for intermediate small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). First Century Bank, Inc., (FCB) is required to report certain information regarding its home mortgage lending in accordance with the HMDA. Accordingly, FCB's 2014 and 2015 HMDA loan originations were considered in the evaluation. In addition, motor vehicle-secured consumer lending was identified as a significant product line and was also considered in the evaluation. The analysis includes all motor vehicle-secured consumer loans originated during a recent six-month period (September 2015 through February 2016).

Qualified community development loans and services are considered for activities since the previous evaluation (March 25, 2013). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered.

Currently, FCB serves four assessment areas located within the State of West Virginia and the Commonwealth of Virginia. Because the bank operates branches in more than one state, an overall rating and ratings for the Lending and Community Development Tests are required for the institution, West Virginia, and Virginia. State ratings are based only on the performance in the assessment areas subject to full-scope review.

Based upon location, relative market size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied to the following assessment areas:

- Mercer, WV nonmetropolitan (NonMSA)
- Wythe, VA NonMSA

The institution's overall rating is based on the ratings assigned to each state. These ratings are weighted primarily according to bank activity as measured by relative lending volume, amount of deposits, and the number of branches. Appendix D includes information detailing the lending volume, branch locations, and deposit volume by assessment area. In all cases, conclusions also take into consideration relevant performance context factors. When assigning the institution's overall rating, the bank's performance in West Virginia is given the most weight as the majority of the bank's loans and deposit accounts are located within West Virginia.

DESCRIPTION OF INSTITUTION

FCB is headquartered in Bluefield, West Virginia, and operates a total of 11 full-service branches and one loan production office within West Virginia and Virginia. The bank is a wholly-owned subsidiary of First Century Bankshares, a single-bank holding company, also headquartered in Bluefield, West Virginia. FCB received a Satisfactory rating at its prior CRA evaluation dated March 25, 2013. No known legal impediments exist that would constrain the bank from meeting the credit needs of its assessment areas.

As of December 31, 2015, the bank has \$406.1 million in assets, of which 56.8% are net loans and 27.6% are securities. Various deposit and loan products are available through the institution including loans for residential mortgage, business and consumer purposes. The composition of the loan portfolio (reflecting gross loans) is represented in the following table.

Composition of Loan Portfolio

Loan Type	12/31/2015	
	\$(000s)	%
Secured by 1-4 Family dwellings	103,001	44.0
Multifamily	1,859	0.8
Construction and Development	8,561	3.7
Commercial & Industrial/ NonFarm NonResidential	97,632	41.7
Consumer Loans and Credit Cards	15,258	6.5
Agricultural Loans/ Farmland	6,843	2.9
All Other	1,080	0.5
Total	234,234	100.0

As indicated in the preceding table, the bank is an active residential mortgage and commercial/small business lender. While the preceding table reflects all loans currently held by the bank, recent bank lending activity has been concentrated in residential mortgage and consumer loan products. Commercial and small business lending activity declined during the evaluation period from the historical volume reflected in the table.

Based on branch locations and lending patterns, the bank has delineated four assessment areas in southern West Virginia and western Virginia. The following table reflects the current composition of the bank’s four assessment areas.

Assessment Area Name	City/County	State	Census Tracts Included
Mercer, WV NonMSA	Mercer County	WV	All
	Summers County	WV	All
	Wyoming County	WV	All
Beckley, WV MSA	Raleigh County	WV	All
Wythe, VA NonMSA	Wythe County	VA	All
Tazewell, VA NonMSA	Tazewell County	VA	202.00, 208.00, & 211.00

FCB has not opened or closed any branch offices since its previous CRA evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

An analysis of lending during the review period is discussed in greater detail in subsequent sections of this evaluation. While residential mortgage loan data from calendar years 2014 and 2015 were fully analyzed and considered in the evaluation, only bank and aggregate data from 2014 is presented in the assessment area analysis tables. In instances where the bank's 2015 HMDA performance varies significantly from its performance in 2014, such variance and the corresponding impact on the overall performance is discussed. Because aggregate data from 2015 is not available, aggregate data from 2014 is also used as an element of performance context when evaluating the bank's performance. From a consumer loan perspective, aggregate consumer loan data could not be considered because such data does not exist.

Relevant area demographic data from the 2010 American Community Survey (ACS) is used as a proxy for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. Dun & Bradstreet (D&B) business demographic data is current as of 2015.

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

Overall, the bank's lending test performance is rated Satisfactory. This rating considers the bank's loan-to-deposit ratio, level of lending in its assessment areas, borrower lending distribution performance, and geographic lending distribution performance.

The bank's Community Development Test performance is also rated Satisfactory. The review of the bank's community development activities is based on the number and amount of community development loans and qualified investments, the extent to which the bank provides community development services, and the bank's responsiveness to identified community development lending, investment, and service needs.

The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

Loan-To-Deposit Ratio

The bank's loan-to-deposit ratio as of December 31, 2015, equaled 65.7% and averaged 66.1% for the 12-quarter period ending December 31, 2015. In comparison, the quarterly average loan-to-deposit ratio for all banks headquartered in nonmetropolitan areas of West Virginia and of similar asset size to FCB range from 64.6% to 71.9% during the same 12-quarter period. Since December 31, 2012, assets decreased by 1.1%, while deposits and net loans remain relatively unchanged. The bank's loan-to-deposit ratio is considered reasonable given the institution's size, financial condition, market conditions, and local credit needs.

Lending In Assessment Areas

To determine the institution's volume of lending within its assessment areas, the geographic location of the bank's residential mortgage loans originated during calendar years 2014 and 2015, and motor vehicle-secured consumer loans originated during the six-month period ending February 29, 2016, were considered. The lending distribution inside and outside of the bank's assessment areas is represented in the following table.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	153	79.3	11,869	69.5	40	20.7	5,200	30.5
Home Improvement	31	79.5	2,461	85.6	8	20.5	415	14.4
Refinancing	156	86.2	15,839	83.3	25	13.8	3,173	16.7
Multi-Family Housing	1	100.0	600	100.0	0	0.0	0	0.0
Total HMDA related	341	82.4	30,769	77.8	73	17.6	8,788	22.2
Consumer Loans	126	85.1	1,452	85.3	22	14.9	250	14.7
TOTAL LOANS	467	83.1	32,221	78.1	95	16.9	9,038	21.9

As indicated in the preceding table, a substantial majority of the number of residential mortgage and motor vehicle-secured consumer loans were extended to residents of the bank’s assessment areas. Overall, the institution’s level of lending within its assessment areas is considered highly responsive to community credit needs.

Lending To Borrowers of Different Incomes

The bank’s borrower distribution performance is considered reasonable in the State of West Virginia, while its performance in the Commonwealth of Virginia is poor. The bank’s overall performance is considered reasonable. This conclusion reflects the greater weight placed on the bank’s performance in West Virginia because a substantial majority of the bank’s operations occur in the state.

Geographic Distribution of Loans

The bank’s geographic distribution performance is considered excellent in the State of West Virginia, while its performance in the Commonwealth of Virginia is reasonable. The bank’s overall performance is considered excellent. In reaching this conclusion, greater weight was placed on the bank’s performance in West Virginia because of the comparatively larger volume of lending occurring in state.

Community Development Loans, Investments, and Services

FCB supports community development initiatives and organizations that benefit its local assessment areas, statewide areas, and larger regional (multistate) areas by making qualified loans and investments and providing financial expertise and other support to local organizations providing community development services.

Qualified community development activities that benefit a regional area that include the bank’s assessment areas include the following:

- The bank supported the regional chapter of a non-profit entity (Toys for Tots) that provides community services targeted to low- and moderate-income people by promoting its fund raising activities.
- The bank offers free and low-cost checking accounts, which can benefit area low- and moderate-income residents and small businesses. These products are available in each of the bank’s assessment areas.

Details of additional community development activities are discussed in the assessment area where the activities took place. The bank's overall Community Development Test rating is Satisfactory.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

A review of the bank's assessment areas during the evaluation found that its delineations complied with the requirements of Regulation BB. To the extent that the bank delineated less than a whole political subdivision within an assessment area, the delineated area contained whole geographies, did not reflect illegal discrimination (e.g. through the exclusion of majority-minority census tracts), and did not arbitrarily exclude low- or moderate-income census tracts.

STATE OF WEST VIRGINIA

CRA RATING FOR WEST VIRGINIA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Major factors supporting the rating include:

- The bank's borrower distribution performance (lending to low- and moderate-income borrowers) is considered reasonable for both HMDA and motor vehicle-secured consumer lending.
- The bank's geographic distribution performance (lending in low- and moderate-income census tracts) is excellent for both HMDA and motor vehicle-secured consumer lending.
- The bank's lending, investment, and service activities demonstrate an adequate level of responsiveness to the community development needs of its assessment areas in West Virginia.

SCOPE OF EXAMINATION

FCB's HMDA loan originations from 2014 and 2015 and all of its consumer purpose motor vehicle-secured loans originated from September 2015 through February 2016 were considered in the evaluation. Qualified community development loans and services are considered for activities since the previous evaluation (March 25, 2013). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered.

The bank delineated the following assessment areas in the State of West Virginia:

- Mercer, WV NonMSA
- Beckley, WV MSA

On a combined basis, the West Virginia assessment areas account for 76.6% of the bank's lending (dollar volume), 72.7% of branches, and 85.1% deposit volume. Because a majority of the bank's business activity within West Virginia is in the Mercer, WV NonMSA assessment area, it is evaluated using the FFIEC's full-scope procedures. The state ratings are based on the performance in this assessment area. The remaining assessment area (Beckley, WV MSA) was subject to the limited review procedures, and a determination was made as to whether its performance was consistent with the assigned state rating. Information about loan volume, branches, and deposits are included in Appendix D of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WEST VIRGINIA

The institution operates eight branches within two assessment areas in West Virginia. The assessment areas, which are contiguous, are located in southern West Virginia adjacent to the Virginia state line. These eight branches account for \$299.5 million of the bank's total deposit base.

Within its West Virginia assessment areas, FCB ranked 4th out of 13 institutions in local deposit market share by having 11.8% of the assessment area's available FDIC insured deposits as of June 2015. According to 2014 aggregate data, the institution ranked 5th out of 130 institutions in reported residential mortgage lending with a 5.4% market share.

According to ACS data from 2010, the West Virginia assessment areas have a total population of 178,846. The assessment areas include 70,741 households, of which 46,786 are families. A majority of the households are middle- and upper-income (58.5%), while low- and moderate-income households each comprise 25.3% and 16.2% of the total, respectively. Of the families within the West Virginia assessment areas, low- and moderate-income families comprise 22% and 16.4%, respectively. Within these assessment areas, the owner-occupancy rate equals 63.9%, and 14.9% of families live below the poverty level. Recent area median family incomes are detailed in the following table.

Area	Median Family Incomes	
	2014	2015
West Virginia Statewide Nonmetropolitan Area	\$47,100	\$48,900
Beckley, WV MSA	\$49,900	\$50,100

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank's overall West Virginia state rating and the rating for each test for the state is based upon performance in the Mercer, WV NonMSA assessment area, which is discussed in detail in the next section of this evaluation. Overall, the bank's Lending Test rating is Satisfactory.

Community Development Loans, Investments, and Services

FCB supports community development initiatives and organizations that benefit the State of West Virginia by originating community development loans, making qualified investments and grants, and providing financial expertise and other support to community service organizations operating within the state.

Qualified community development activities that benefit both of the bank's assessment areas in West Virginia or the statewide area include the following:

- During the evaluation period, the bank originated three loans totaling \$35,000 to a non-profit organization that provides housing and other services targeted to low- and moderate-income individuals and families. The borrower provides community services specifically within the bank's West Virginia assessment areas.
- The bank also originated six loans totaling \$145,000 with a non-profit entity that provides jobs and job training to low- and moderate-income individuals within the statewide area.
- A bank employee serves on the board of directors of Just for Kids whose operations focus on providing affordable housing and other services to low- and moderate-income families. The organization operates within portions of both of the bank's West Virginia assessment areas.
- A bank employee serves as on the board of directors of the United Way of Southern West Virginia. The United Way chapter provides financial support primarily to community development entities operating within the bank's West Virginia assessment areas.
- A bank employee serves on the board of directors of the Women's Resource Center that provides housing and other services targeted to low- and moderate-income women within portions of both assessment areas in West Virginia.

Details of additional community development activities are discussed in the assessment area where the activities took place. The bank's overall Community Development Test rating is Satisfactory.

NONMETROPOLITAN STATEWIDE AREA

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

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MERCER, WV NONMSA ASSESSMENT AREA

The assessment area is located in rural southern West Virginia and includes all of Mercer, Summers, and Wyoming counties, West Virginia. The bank operates seven branch offices in this assessment area, and as of June 30, 2015, ranked 2nd out of seven institutions in local deposit market share with 21.9% of insured deposits. According to 2014 aggregate loan data, the institution ranks 2nd out of 96 institutions in reported HMDA volume with a 9.4% market share.

According to 2010 ACS data, the assessment area has a population of 99,987 and a median housing value of \$69,203. The owner-occupancy rate for the assessment area (62%) approximates the rates for nonmetropolitan areas of West Virginia (61.4%) and the overall state (62.9%). Within the assessment area, 15.3% of families are considered below the poverty level, which exceeds the poverty rate in nonmetropolitan areas of West Virginia (14.7%) and the state (12.8%). The median family income for nonmetropolitan areas of West Virginia equaled \$47,100 during 2014 and \$48,900 during 2015. The following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Mercer, WV NonMSA (Based on 2010 ACS Data and 2015 D&B Information)									
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	5,588	21.7	
Moderate	2	7.7	1,066	4.1	286	26.8	4,444	17.2	
Middle	21	80.8	21,409	83.1	3,342	15.6	5,718	22.2	
Upper	3	11.5	3,297	12.8	306	9.3	10,022	38.9	
NA	0	0.0	0	0.0	0	0.0			
Total	26	100.0	25,772	100.0	3,934	15.3	25,772	100.0	
	Owner Occupied Units by Tract	Households							
		HHs by Tract		HHs < Poverty by Tract		HHs by HH Income			
		#	%	#	%	#	%		
Low		0	0.0	0	0.0	0	0.0	10,690	27.0
Moderate		1,224	4.0	1,991	5.0	729	36.6	6,400	16.2
Middle		25,302	83.5	32,533	82.3	7,003	21.5	6,958	17.6
Upper		3,780	12.5	5,021	12.7	914	18.2	15,497	39.2
NA		0	0.0	0	0.0	0	0.0		
Total		30,306	100.0	39,545	100.0	8,646	21.9	39,545	100.0
	Total Businesses by Tract	Businesses by Tract and Revenue Size							
		Less than or = \$1 Million		Over \$1 Million		Revenue not Reported			
		#	%	#	%	#	%		
Low		0	0.0	0	0.0	0	0.0	0	0.0
Moderate		162	6.2	141	6.0	16	7.8	5	11.4
Middle		2,055	79.0	1,880	79.9	149	72.3	26	59.1
Upper		385	14.8	331	14.1	41	19.9	13	29.5
NA		0	0.0	0	0.0	0	0.0	0	0.0
Total		2,602	100.0	2,352	100.0	206	100.0	44	100.0
Percentage of Total Businesses:				90.4		7.9		1.7	

*NA-Tracts without household or family income as applicable

According to 2015 data published by the FFIEC, all of the middle-income census tracts in the assessment area are classified as distressed and/or underserved. Within Mercer and Summers counties, all of the middle-income census tracts are distressed because of comparatively high poverty rates. Within Wyoming County, the middle-income census tracts are also distressed because of comparatively high poverty and unemployment rates. In addition, the middle-income census tracts in Wyoming County are also classified as underserved. The underserved designation indicates that the local community is distant from more urban population centers and typically may not have access to certain basic community services.

The area economy is based on a variety of health care and retail service industries. Major area employers include several hospitals, Wal-Mart stores, Bluefield State College, Concord University, local governments, and local area school systems. Recent periodic unemployment rates are included in the following table.

Geographic Area	December 2013	December 2014	December 2015
Mercer County	7.3%	6.2%	6%
Summers County	7.7%	6.4%	6.5%
Wyoming County	9.7%	8.2%	9.1%
West Virginia	6.4%	6%	5.9%

As indicated in the preceding table, unemployment rates in Mercer, Summers, and Wyoming counties generally decreased since the beginning of the recent three-year period. However, area unemployment rates remain elevated in relation to the statewide rate and are particularly high in Wyoming County.

A local economic development official was recently contacted to assist in evaluating the bank’s CRA performance. The contact stated that the area has been experiencing economic change. As the mining industry contracts in the area, there has been a shift of focus to entrepreneurs and startup businesses. The economic development organization has been working to educate local businesses and banks in order to further the understanding that diversification and adaptation in changing industries will benefit the overall local community. The contact suggested that greater access to financing for small businesses would help stabilize the local economy. The contact indicated that local community banks are serving community banking and financing needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

During 2015, the bank reported originating \$8.7 million in HMDA loans. During the six-month time period ending in February 2016, the bank also originated \$1.1 million consumer motor vehicle-secured loans. After adjusting for the difference in the time periods and volume, the bank’s HMDA lending performance is weighted more heavily when considering the bank’s overall lending distribution performance.

Lending to Borrowers of Different Incomes

Within this assessment area, the bank’s borrower distribution performance for both HMDA and motor vehicle-secured consumer loans is considered reasonable.

Distribution of HMDA Loans by Income Level of Borrower

Mercer, WV NonMSA (2014)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
HMDA Totals								
Low	3	2.8	84	1.0	67	6.5	2,814	3.1
Moderate	19	17.8	1,103	13.7	216	21.0	13,458	14.6
Middle	23	21.5	1,405	17.5	236	22.9	18,942	20.5
Upper	62	57.9	5,453	67.8	512	49.6	56,991	61.8
Total	107	100.0	8,045	100.0	1,031	100.0	92,205	100.0
Unknown	1		46		160		31,084	

Percentages (%) are calculated on all loans where incomes are known

During 2014, FCB’s lending to low-income borrowers (2.8%) lagged the percentage of low-income families within the assessment area (21.7%) and the aggregate lending level to such borrowers (6.5%). FCB’s lending to moderate-income borrowers (17.8%) approximated the percentage of such area families (17.2%) and lagged the aggregate level of lending to such borrowers (21%). Although the bank’s lending levels generally lag the demographic and aggregate lending levels, the bank’s performance during 2014 is considered reasonable, and its performance is similar during 2015.

Distribution of Consumer Loans by Income Level of Borrower

Mercer, WV NonMSA (9/2015 - 2/2016)				
Income Categories	#	Consumer Loans		
		%	\$(000s)	% \$
Low	20	21.3	132	12.0
Moderate	22	23.4	290	26.3
Middle	27	28.7	261	23.7
Upper	25	26.6	419	38.0
Total	94	100.0	1,102	100.0
Unknown	0		0	

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

The bank's level of lending to low-income borrowers (21.3%) lagged the percentage of low-income households (27%), while its lending to moderate-income borrowers (23.4%) exceeded such households (16.2%). Overall, the level of motor vehicle-secured consumer lending to borrowers of different income levels is considered reasonable.

Geographic Distribution of Loans

While the bank's HMDA geographic distribution performance varied from reasonable to excellent depending upon the year, its overall HMDA performance is excellent. Similarly, the geographic distribution performance of the bank's consumer motor vehicle-secured lending is considered also excellent.

Distribution of HMDA Loans by Income Level of Census Tract

Mercer, WV NonMSA (2014)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
	(50) Home Purchase				(655)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	6	12.0	237	6.9	21	3.2	2,212	3.6
Middle	39	78.0	2,799	81.8	530	80.8	47,478	78.3
Upper	5	10.0	384	11.3	104	16.0	10,931	18.1
	(42) Refinance				(387)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	4.8	146	3.8	10	2.6	897	2.2
Middle	37	88.1	3,427	90.3	305	78.8	32,419	78.2
Upper	3	7.1	223	5.9	72	18.6	8,150	19.6
	(16) Home Improvement				(133)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	6.3	50	5.7	9	6.8	332	6.7
Middle	12	75.0	679	77.6	105	78.9	3,960	79.6
Upper	3	18.7	146	16.7	19	14.3	682	13.7
	(0) Multi-Family				(15)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	11	73.3	15,023	92.8
Upper	0	0.0	0	0.0	4	26.7	1,169	7.2
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	9	8.3	433	5.4	40	3.4	3,441	2.8
Middle	88	81.5	6,905	85.3	951	79.9	98,880	80.2
Upper	11	10.2	753	9.3	199	16.7	20,932	17.0
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	108	100.0	8,091	100.0	1,190	100.0	123,253	100.0

NA*-Tracts without household or family income as applicable

During 2014, the bank originated a similar volume of home purchase and refinance loans, while the aggregate lenders originated a larger volume of home purchase loans than refinance loans. When considering the bank’s performance by loan product type, its home purchase and refinance performance is considered excellent and its home improvement performance is considered reasonable. Given the limited volume of multi-family loans reported within the assessment area, the absence of such lending by the bank is not a significant factor in assessing the bank’s performance.

Overall, the bank’s level of lending in moderate-income census tracts (8.3%) exceeded both the percentage of owner-occupied housing units in moderate-income census tracts (4%) and the aggregate lending in such areas (3.4%). The bank’s performance during 2014 is excellent.

The bank’s performance during the following year is not as strong. During 2015, the bank reported originating 105 HMDA loans totaling \$8.7 million. Of these loans, three (2.9%) totaling \$184,000 (2.1%) were originated in moderate-income census tracts, which lagged the percentage of owner-occupied housing units in moderate-income census tracts (4%). The aggregate lending data from 2015 cannot be considered because the data is not yet available. During 2015, the bank’s performance is considered reasonable.

The bank’s performance during 2014 and 2015 is considered excellent overall primarily because of the strength of the bank’s performance during 2014.

Distribution of Consumer Loans by Income Level of Census Tract

Mercer, WV NonMSA (9/2015 - 2/2016)				
Income Categories	#	Consumer Loans		
		%	\$(000s)	%\$
Low	NA	NA	NA	NA
Moderate	6	6.4	57	5.2
Middle	84	89.4	972	88.2
Upper	4	4.2	73	6.7
NA*	NA	NA	NA	NA
Total	94	100.0	1,102	100.0

**NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.*

The bank’s consumer motor vehicle-secured lending within moderate-income census tracts (6.4%) exceeded the percentage of area households located in such census tracts (5%). The bank’s performance is considered excellent.

Community Development Loans, Investments, and Services

Discussions with an individual knowledgeable of the local market area and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are limited within this assessment area. The bank faces no constraints in providing community development loans, investments, and services consistent with its capacity and available opportunities.

During the evaluation period, the bank supported community development initiatives by originating community development loans, providing grants to community development organizations, and by providing community development services. Specific to this assessment area, the bank and its employees provided the following qualified community development activities:

- One loan totaling \$251,000 to an organization that provides affordable housing to area low- and moderate-income residents.
- One loan totaling \$100,000 that financed a start-up business located in a downtown moderate-income census tract. The loan aids in the revitalization of the moderate-income census tract and downtown area.
- One loan totaling \$25,000 to an organization that provides free or low-cost social and mental health services primarily to area low- and moderate-income individuals.
- The bank provided \$2,100 in grants to organizations providing community services targeted to low- and moderate-income individuals within the assessment area.
- A bank employee serves on the board of directors of Wyoming County Economic Development Authority, an organization that promotes economic development and job creation within the county.
- Eleven bank employees taught financial literacy classes developed by the American Bankers Association (ABA) at six area schools where a majority of the students come from low- and moderate-income families.
- A bank employee taught financial literacy classes at an area high school where a majority of the students are from low- and moderate-income families. The financial literacy class is part of the West Virginia State Treasurer’s financial literacy initiative known as “Get a Life” that is aimed at providing school age individuals with financial management skills.
- A bank employee supported the Bluefield Community Blueprint Program by providing the committee overseeing the program with information about affordable housing programs.

Overall, the bank's community development activities demonstrate an adequate level of responsiveness to the local community's needs when considering the institution's capacity and limited opportunities available within the assessment area.

METROPOLITAN AREA

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

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE BECKLEY, WV MSA Assessment Area

The Beckley, WV MSA assessment area was reviewed using the limited review examination procedures. Information detailing the composition of this assessment area, including selected demographic data, is included in Appendix C of this report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Facts and data reviewed for the assessment area, including performance and demographic information, can be found in Appendix C of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. The conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the institution's statewide ratings.

Assessment Area	Lending Test	Community Development Test
Beckley, WV MSA	Consistent	Consistent

COMMONWEALTH OF VIRGINIA

CRA RATING FOR VIRGINIA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Major factors supporting the rating include:

- The bank's lending to borrowers of different income levels varies between poor and excellent by loan product and is considered poor overall.
- The bank's geographic distribution performance varies between reasonable and very poor by loan product and is considered reasonable overall.
- The bank's level of qualified community development activities demonstrate an adequate level of responsiveness to community development needs within Virginia.

SCOPE OF EXAMINATION

FCB's HMDA loan originations from 2014 and 2015 and all of its consumer purpose motor vehicle-secured loans originated from September 2015 through February 2016 were considered in the evaluation. Qualified community development loans and services are considered for activities since the previous evaluation (March 25, 2013). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered.

The bank has delineated the following assessment areas in the Commonwealth of Virginia:

- Wythe, VA NonMSA
- Tazewell, VA NonMSA

The Virginia assessment areas account for 23.5% of the bank's lending (dollar volume), 27.3% of branches, and 14.9% deposit volume. Because a majority of the bank's business activity within Virginia is in the Wythe, VA NonMSA assessment area, it is evaluated using the full-scope interagency examination procedures. The state ratings are based on the performance in this assessment area. The remaining assessment area (Tazewell, VA NonMSA) was subject to limited review procedures, and a determination was made as to whether its performance was consistent with the assigned state rating. Information about loan volume, branches, and deposits are included in Appendix D of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN VIRGINIA

The institution operates three branches within two assessment areas in the Commonwealth of Virginia. The assessment areas, which are not contiguous, are located in the southwestern portion of Virginia. One of the assessment areas (Tazewell, VA NonMSA) is adjacent to the West Virginia state line and contiguous with the bank's Mercer, WV NonMSA assessment area. The bank's Virginia branches account for \$52.5 million of the bank's total deposit base.

Within its Virginia assessment areas, FCB ranked 11th out of 17 institutions in local deposit market share by having 3.2% of the assessment area's available FDIC insured deposits, as of June 2015. According to 2014 aggregate data, the institution ranked 7th out of 97 institutions in reported residential mortgage lending with a 3.7% market share.

According to ACS data from 2010, the Virginia assessment areas have a total population of 42,829. The assessment areas include 17,050 households, of which 11,698 are families. A majority of the households are middle- and upper-income (59.6%), while low- and moderate-income households each comprise 25.1% and 15.3% of the total, respectively. Of the families within the Virginia assessment areas, low- and moderate-income families comprise 20.6% and 18%, respectively. Within these assessment areas, the owner-occupancy rate equals 63.2%, and 10.6% of families live below the poverty level. Recent area median family incomes are detailed in the following table.

Area	Median Family Incomes	
	2014	2015
Virginia Statewide Nonmetropolitan Area	\$52,000	\$52,700

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

The bank’s overall Virginia state ratings are based upon performance in the Wythe, VA NonMSA assessment area, which is discussed in detail in the next section of this evaluation. Overall, the bank’s Lending Test rating is Satisfactory.

Community Development Loans, Investments, and Services

FCB supports community development initiatives and organizations that benefit the Commonwealth of Virginia by originating community development loans, making qualified investments and grants, and providing financial expertise and other support to community service organizations operating within Virginia.

Qualified community development activities that benefit the statewide area including the bank’s assessment areas include the following:

- The bank invested \$1 million in two bonds issued by the Virginia Housing Development Authority (VHDA). The VHDA is a public mortgage lender that serves the housing needs of low- and moderate-income individuals throughout the Commonwealth of Virginia. The bank purchased one of the bonds (\$503,003) since the previous evaluation.

Details of additional community development activities are discussed in the assessment area where the activities took place. The bank's overall Community Development Test rating is Satisfactory.

NONMETROPOLITAN STATEWIDE AREA

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

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WYTHE, VA NONMSA ASSESSMENT AREA

The bank's assessment area is located in southwest Virginia and includes all of Wythe County. The bank operates two branches in this assessment area, and as of June 30, 2015, ranked 8th out of 12 institutions in local deposit market share with 6% of the FDIC insured deposits in Wythe County. According to 2014 aggregate loan data, the institution ranks 7th out of 85 institutions in reported HMDA volume with a 4.2% market share.

According to 2010 ACS data, the assessment area has a population of 29,235 and a median housing value of \$104,512. The owner-occupancy rate for the assessment area (64.7%) exceeds the rates for nonmetropolitan areas of Virginia (59.9%) and the overall commonwealth (61.8%). Within the assessment area, 9.4% of families are considered below the poverty level, which is less than the poverty rate in nonmetropolitan areas of Virginia (11.8%) but greater than the commonwealth's rate (7.2%). The median family income for nonmetropolitan areas of Virginia equaled \$52,000 during 2014 and \$52,700 during 2015. The following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Wythe, VA NonMSA (Based on 2010 ACS Data and 2015 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,534	19.3
Moderate	1	16.7	850	10.7	32	3.8	1,466	18.4
Middle	5	83.3	7,103	89.3	717	10.1	1,864	23.4
Upper	0	0.0	0	0.0	0	0.0	3,089	38.9
NA	0	0.0	0	0.0	0	0.0		
Total	6	100.0	7,953	100.0	749	9.4	7,953	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,864	24.6
Moderate	1,168	13.0	1,398	12.0	224	16.0	1,773	15.2
Middle	7,813	87.0	10,267	88.0	1,669	16.3	2,275	19.5
Upper	0	0.0	0	0.0	0	0.0	4,753	40.7
NA	0	0.0	0	0.0	0	0.0		
Total	8,981	100.0	11,665	100.0	1,893	16.2	11,665	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	90	6.4	87	6.6	2	2.6	1	11.1
Middle	1,309	93.6	1,227	93.4	74	97.4	8	88.9
Upper	0	0.0	0	0.0	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	1,399	100.0	1,314	100.0	76	100.0	9	100.0
Percentage of Total Businesses:				93.9		5.4		0.7

*NA-Tracts without household or family income as applicable

The area economy is primarily based on retail services, health care, and manufacturing. Major area employers include Wythe County Community Hospital, Somic America (automotive parts manufacturer), The Gatorade Company, Wal-Mart stores, local government, and the school system. Recent periodic unemployment rates are included in the following table.

Geographic Area	December 2013	December 2014	December 2015
Wythe County	7.5%	5.8%	4.9%
Virginia	5.1%	4.6%	3.9%

As indicated in the preceding table, unemployment rates in Wythe County decreased during the recent three-year period. Nonetheless, the level of local unemployment exceeds the statewide rate.

An affordable housing official was contacted during the evaluation to discuss local economic conditions and community credit needs. According to the contact, the decline in manufacturing and textile industries within the local market has created an economy that is heavily dependent on the service sector. The contact also suggested that there may be too many financial institutions attempting to serve the local community. As a result, some financial institutions are reducing their market presence or leaving the market. The contact indicated that despite certain challenging aspects of the local economy, area financial institutions are adequately meeting local credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

During 2015, the bank reported originating \$3.2 million in HMDA loans. During the six-month time period ending in February 2016, the bank also originated \$92,000 in consumer motor vehicle-secured loans. After adjusting for the difference in the time periods and volume, the bank’s HMDA lending performance is weighted more heavily when considering the bank’s overall lending distribution performance.

Lending to Borrowers of Different Incomes

The bank’s borrower distribution performance for HMDA lending is considered poor, while its consumer motor vehicle-secured lending performance is considered excellent. The bank’s overall borrower distribution performance is considered poor within the assessment area. In reaching this conclusion, more weight is placed on the bank’s HMDA distribution performance because of the comparatively larger dollar volume of such lending within the assessment area.

Distribution of HMDA Loans by Income Level of Borrower

Wythe, VA NonMSA (2014)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	3	13.6	144	5.4	36	8.1	1,877	4.1
Moderate	1	4.5	66	2.5	130	29.1	10,194	22.3
Middle	8	36.4	894	33.5	125	28.0	11,382	24.9
Upper	10	45.5	1,563	58.6	155	34.8	22,241	48.7
Total	22	100.0	2,667	100.0	446	100.0	45,694	100.0
Unknown	0		0		72		8,555	

Percentages (%) are calculated on all loans where incomes are known

During 2014, FCB’s lending to low-income borrowers (13.6%) lagged the percentage of low-income families within the assessment area (19.3%) but exceeded the aggregate lending level to such borrowers (8.1%). FCB’s lending to moderate-income borrowers (4.5%) substantially lagged the percentage of such area families (18.4%) and the aggregate lending level (29.1%). The bank’s performance during 2014 is considered poor, and its performance during 2015 is similar.

Distribution of Consumer Loans by Income Level of Borrower

Wythe, VA NonMSA (9/2015 - 2/2016)				
Income Categories	#	Consumer Loans		
		%	\$(000s)	% \$
Low	4	36.4	35	38.0
Moderate	3	27.3	16	17.4
Middle	3	27.3	21	22.8
Upper	1	9.0	20	21.8
Total	11	100.0	92	100.0
Unknown	0		0	

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

The bank's level of lending to low-income borrowers (36.4%) exceeded the percentage of low-income households (24.6%). Similarly, the bank's lending to moderate-income borrowers (27.3%) also exceeded the percentage of such area households (15.2%). The bank's motor vehicle-secured consumer lending performance is considered excellent.

Geographic Distribution of Loans

The geographic distribution performance of the bank's HMDA lending is considered reasonable, while its consumer motor vehicle-secured loan performance is very poor. The bank's overall geographic distribution performance is considered reasonable within this assessment area because of the greater weight placed on the bank's HMDA performance.

Distribution of HMDA Loans by Income Level of Census Tract

Wythe, VA NonMSA (2014)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	%\$	#	%	\$(000s)	%\$
	(7) Home Purchase				(236)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	14.3	45	5.3	20	8.5	2,093	7.5
Middle	6	85.7	806	94.7	216	91.5	25,987	92.5
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(13) Refinance				(206)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	15.4	283	16.5	24	11.7	2,827	12.5
Middle	11	84.6	1,434	83.5	182	88.3	19,722	87.5
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(2) Home Improvement				(70)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	15	21.4	550	20.0
Middle	2	100.0	99	100.0	55	78.6	2,196	80.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(0) Multi-Family				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	13.6	328	12.3	59	11.5	5,470	10.2
Middle	19	86.4	2,339	87.7	453	88.5	47,905	89.8
Upper	NA	NA	NA	NA	NA	NA	NA	NA
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	22	100.0	2,667	100.0	512	100.0	53,375	100.0

NA*-Tracts without household or family income as applicable

During 2014, the bank originated more refinance loans than all other loan types combined, while the aggregate lenders reported originating a similar volume of home purchase and refinance loans. When considering the bank's performance by loan product type, its home purchase and refinance performance is considered excellent and its home improvement performance is considered very poor. Multifamily lending was not a factor in the analysis due to the lack of lending in this loan category by both the bank and aggregate lenders.

Overall, the bank's level of lending in the moderate-income census tract (13.6%) approximated the percentage of owner-occupied housing units in the moderate-income census tract (13%) and exceeded the aggregate lending level in the moderate-income census tract (11.5%). The bank's performance during 2014 is reasonable.

The bank's performance during the following year is not as strong. During 2015, the bank reported originating 29 HMDA loans totaling \$3.2 million. Of these loans, one (3.4%) totaling \$153,000 (4.7%) was originated in the moderate-income census tract, which lagged the percentage of owner-occupied housing units in the moderate-income census tract (13%). The aggregate lending data from 2015 cannot be considered because the data is not yet available. During 2015, the bank's performance is considered poor.

The bank’s overall performance during 2014 and 2015 is considered reasonable primarily because of the strength of the bank’s performance during 2014.

Distribution of Consumer Loans by Income Level of Census Tract

Wythe, VA NonMSA (9/2015 - 2/2016)				
Income Categories	#	Consumer Loans		
		%	\$(000s)	% \$
Low	NA	NA	NA	NA
Moderate	0	0.0	0	0.0
Middle	11	100.0	92	100.0
Upper	NA	NA	NA	NA
NA*	NA	NA	NA	NA
Total	11	100.0	92	100.0

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

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

As indicated in the table, FCB did not originate any consumer motor vehicle-secured loans in the moderate-income census tract during the six-month period ending in February 2016. According to demographic data, 12% of all area households are located in the moderate-income census tract within the assessment area, which suggests that opportunities exist to make consumer automobile loans in the census tract. Given its absence of lending, the bank’s performance is considered very poor.

Community Development Loans, Investments, and Services

Discussions with an individual knowledgeable of the local market area and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are limited within this assessment area. The bank faces no constraints in providing community development loans, investments, and services consistent with its capacity and available opportunities.

During the evaluation period, the bank supported community development initiatives by making qualified investments, providing grants to community development organizations, and by providing community development services. Specific to this assessment area, the bank and its employees provided the following qualified community development activities:

- Three employees taught financial literacy classes developed by the ABA at two area schools where a majority of the students come from low- and moderate-income families.
- A bank employee serves on the board of directors of United Way of Wythe County, an organization that provides financial support primarily to community development entities operating within the bank’s assessment area.
- The bank provided a \$200 grant to an organization that provides community services targeted to low- and moderate-income individuals within the assessment area.

Overall, the bank's community development activities demonstrate an adequate level of responsiveness to the local community's needs when considering the institution's capacity and limited opportunities available within the assessment area.

NONMETROPOLITAN STATEWIDE AREA

(If none of the assessment areas within the nonmetropolitan statewide area were reviewed using full-scope review)

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE TAZEWELL
NONMETROPLITAN STATEWIDE AREA**

The Tazewell, VA NonMSA assessment area was reviewed using the limited review examination procedures. Information detailing the composition of this assessment area, including selected demographic data, is included in Appendix C of this report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Facts and data reviewed for the assessment area, including performance and demographic information, can be found in Appendix C of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. The conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the institution's statewide ratings.

Assessment Area	Lending Test	Community Development Test
Tazewell, VA NonMSA	Consistent	Consistent

CRA APPENDIX A
SCOPE OF EXAMINATION

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED¹	OTHER INFORMATION
Mercer, WV NonMSA	Full-Scope	500 Federal Street Bluefield, WV 24701	None
Beckley, WV MSA	Limited Review	None	None
Wythe, VA NonMSA	Full-Scope	108 Spruce Street Bluefield, VA 24605	None
Tazewell, VA NonMSA	Limited Review	None	None

¹ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

CRA APPENDIX B
SUMMARY OF STATE RATINGS

State Name	Lending Test Rating	Community Development Test Rating	Overall Rating
West Virginia	Satisfactory	Satisfactory	Satisfactory
Commonwealth of Virginia	Satisfactory	Satisfactory	Satisfactory

CRA APPENDIX C
LIMITED REVIEW TABLES

Beckley, WV MSA Assessment Area

This assessment area includes all of Raleigh County, West Virginia, and is part of the Beckley, WV MSA. Based on 2010 ACS data, this assessment area includes no low-, one moderate-, 12 middle-, and four upper-income census tracts. The bank operates one branch in the assessment area.

Performance Test Data for the Beckley, WV MSA Assessment Area

Limited Review Lending Table

Beckley, WV MSA								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase (2014)				Home Improvement (2014)			
<i>Geographic</i>	(18)				(1)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	2.7	4.0	0	0.0	2.5	4.0
Middle	15	83.3	72.5	67.4	1	100.0	67.6	67.4
Upper	3	16.7	24.8	28.6	0	0.0	29.9	28.6
	Refinance (2014)				Multi-Family (2014)			
<i>Geographic</i>	(11)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	3.3	4.0	0	0.0	11.1	4.0
Middle	5	45.5	67.9	67.4	0	0.0	77.8	67.4
Upper	6	54.5	28.8	28.6	0	0.0	11.1	28.6
	HMDA Totals (2014)				Consumer (9/2015 - 2/2016)			
<i>Geographic</i>	(30)				(14)			
Low	NA	NA	NA	NA	NA	NA	NA	0.0
Moderate	0	0.0	2.9	4.0	2	14.3	NA	4.7
Middle	21	70.0	70.3	67.4	8	57.1	NA	66.8
Upper	9	30.0	26.8	28.6	4	28.6	NA	28.5
<i>Borrower</i>	(30)				(14)			
Low	4	13.3	6.7	22.3	1	7.1	NA	23.1
Moderate	4	13.3	16.1	15.3	5	35.7	NA	16.2
Middle	7	23.3	22.4	19.0	4	28.6	NA	14.7
Upper	15	50.1	54.8	43.4	4	28.6	NA	46.0
	Small Business				Small Farm			
<i>Geographic</i>	(NA)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	NA	NA	NA	NA	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	NA	NA	NA	NA	NA	NA	NA	NA

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

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

NA represents no activity in the income category

The bank's borrower and geographic distribution performance during 2015 is similar to its performance during 2014.

Community Development Loans, Investments, and Services

Specific to this assessment area, a bank employee taught financial literacy classes at an area school where a majority of students are from low- and moderate-income families. Other community development activities benefiting this assessment area have been discussed in the bank overall and State of West Virginia sections of this evaluation.

Tazewell, VA NonMSA Assessment Area

The bank operates one branch in this assessment area that includes census tracts 202.00, 208.00, and 211.00 of Tazewell County, Virginia. All three census tracts in the assessment area are designated as middle-income census tracts.

Performance Test Data for Tazewell, VA NonMSA

Limited Review Lending Table

Tazewell, VA NonMSA								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase (2014)				Home Improvement (2014)			
<i>Geographic</i>	(3)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	3	100.0	100.0	100.0	0	0.0	100.0	100.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	Refinance (2014)				Multi-Family (2014)			
<i>Geographic</i>	(1)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	1	100.0	100.0	100.0	0	0.0	100.0	100.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	HMDA Totals (2014)				Consumer (9/2015 - 2/2016)			
<i>Geographic</i>	(4)				(7)			
Low	NA	NA	NA	NA	NA	NA	NA	0.0
Moderate	NA	NA	NA	NA	NA	NA	NA	0.0
Middle	4	100.0	100.0	100.0	7	100.0	NA	100.0
Upper	NA	NA	NA	NA	NA	NA	NA	0.0
<i>Borrower</i>	(4)				(7)			
Low	0	0.0	10.8	23.3	1	14.3	NA	26.4
Moderate	0	0.0	23.0	17.2	2	28.6	NA	15.6
Middle	1	25.0	27.0	17.8	3	42.8	NA	19.3
Upper	3	75.0	39.2	41.7	1	14.3	NA	38.7
	Small Business				Small Farm			
<i>Geographic</i>	(NA)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	NA	NA	NA	NA	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>	(NA)				(NA)			
Busn/ Farms with revenues <=\$1 M	NA	NA	NA	NA	NA	NA	NA	NA

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

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

NA represents no activity in the income category

The bank's HMDA borrower distribution performance during 2015 is stronger than its performance during 2014.

Community Development Loans, Investments, and Services

Specific to this assessment area, the bank originated a \$1.2 million multi-family affordable housing loan during the evaluation period. A bank employee also taught financial literacy classes at an area school where a majority of students are from low- and moderate-income families. Other community development activities benefiting this assessment area have been discussed in the bank overall and the Commonwealth of Virginia sections of this evaluation.

CRA APPENDIX D

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table reflects the distribution of branch offices and deposit and loan volume by assessment area. The loan volume includes all residential mortgage and consumer motor vehicle-secured loans considered in the evaluation, while the deposit volume includes all bank deposits and is current as of June 30, 2015.

Assessment Area	Loan Volume				Full Service Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Mercer, WV NonMSA	307	65.7%	\$17,862	54.5%	7	63.6%	\$292,743	83.2%
Beckley, WV MSA	78	16.7%	\$6,787	22.1%	1	9.1%	\$6,766	1.9%
Wythe, VA NonMSA	62	13.3%	\$5,986	18.6%	2	18.2%	\$35,956	10.2%
Tazewell, VA NonMSA	20	4.3%	\$1,586	4.9%	1	9.1%	\$16,499	4.7%
Total	467	100%	\$32,221	100%	11	100%	\$351,964	100%

CRA APPENDIX E

GLOSSARY

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

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

Activities that revitalize or stabilize-

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

Loans, investments, and services that-

- (i) Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
- (ii) Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; and
- (iii) Benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.