

**PUBLIC DISCLOSURE**

October 13, 1998

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Community Bank, Inc.  
05540160  
P. O. Box 640  
Buckhannon, West Virginia 26201

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

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 safe and sound operation of the institution. Upon conclusion of such 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 First Community Bank, Inc., Buckhannon, West Virginia, prepared by The Federal Reserve Bank of Richmond, the institution's supervisory agency, as of October 13, 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.

The bank primarily serves its assessment areas through direct lending and offers a variety of credit products. A substantial majority of the bank's loans were extended in the assessment areas, and the geographic distribution of the loans is considered reasonable. Lending to low- and moderate-income individuals and to businesses with revenues less than \$1 million is considered responsive to community residents and business. The bank's investment portfolio is primarily comprised of Government securities that are not considered qualified investments for purposes of CRA. Delivery systems and branch locations are considered readily accessible to all segments of the assessment areas. Participation in qualified community development services has been limited.

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

<b>PERFORMANCE LEVELS</b>	<u>First Community Bank, Inc.</u>		
	<b>PERFORMANCE TESTS</b>		
	<b>LENDING TEST</b> *	<b>INVESTMENT TEST</b>	<b>SERVICE TEST</b>
Outstanding			
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve		X	
Substantial Noncompliance			

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

**DESCRIPTION OF INSTITUTION:**

First Community Bank, Inc., (FCB) operates 16 full-service branches and eight automated teller machines (ATMs) throughout portions of West Virginia. The institution is headquartered in Buckhannon, West Virginia, and is a subsidiary of First Community Bancshares, Inc. As of June 30, 1998, the bank had \$394 million in assets of which 54% were loans and 28% were securities. Various credit products are available through the institution including commercial, consumer, and residential mortgage loans. The loan portfolio as of June 30, 1998, was comprised of 64% real estate secured (including consumer and business), 12% business/agricultural, and 24% consumer loans. The bank’s previous CRA rating was satisfactory.

The bank serves three separate assessment areas. These areas are comprised of contiguous counties in their entirety grouped together. None of the assessment areas is in a Metropolitan Statistical Area (MSA). The assessment areas are defined as follows:

- Assessment Area 1: Taylor and Preston Counties
- Assessment Area 2: Upshur, Nicholas, and Webster Counties
- Assessment Area 3: Logan and Wyoming Counties

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. The institution's overall rating was based on its performance in all assessment areas.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

### LENDING TEST

#### Lending Activity

The institution primarily serves its market through direct lending and offers a variety of credit products. During a six-quarter period ending June 1998, the quarterly average loan-to-deposit ratio for all banks headquartered in nonmetropolitan areas of West Virginia and of similar asset size to First Community Bank, Inc., ranged from 74% to 86%. The bank's average loan-to-deposit ratio for a six-quarter period ending June 1998 is 68% and is considered reasonable given the institution's size, financial capacity, and local demand for credit. Much of the area served by the bank suffers from high unemployment, which dampens demand for credit. Since the previous examination, the bank has experienced loan, deposit, and asset growth of 14%, 19%, and 15%, respectively.

As identified in the CRA Public file, a full range of credit products is offered including consumer, commercial, residential mortgage, home improvement, and agricultural loans. The following chart depicts the number and dollar amount of originated loans for the institution for the time periods noted. Since few agricultural loans are extended, they have been combined with business loans in the following table and throughout this evaluation for analytical purposes.

First Community Bank, Inc. Loan Originations from March 1997 to March 1998				
	Total Loans	Percentage of Lending	Total Dollar Amount (000's)	Percentage of Lending
Commercial/Agriculture*	227	4%	\$13,508	26%
R/E Purchase & Refinance	532	11%	\$17,719	34%
Construction/Permanent Loans	20	<1%	\$1,422	3%
Home Equity Lines	4	<1%	\$133	1%
Consumer Instalment Loans	3,504	70%	\$17,179	33%
Consumer Single Payment	595	12%	\$1,632	3%
Other Revolving Lines	150	3%	\$111	<1%
Totals	5,032	100%	\$51,704	100%

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

As illustrated above, a majority of loans (85%) were for consumer purposes, while the greatest dollar amounts are represented by real estate secured loans (37%). Additionally, mobile home loans, which provide affordable housing to low- and moderate-income residents, are routinely made. From January 1, 1997, to September 30, 1998, 347 mobile home loans not secured by real estate were originated totaling \$3.5 million.

The bank offers various Government sponsored loan products for consumer and commercial purposes. Federal National Mortgage Association (FNMA) loans provide affordable housing options. This product offers a maximum term of 30 years and a 0% to 5% down payment with an interest rate determined by

FNMA.

To assist the commercial borrower, Low-Doc, 7A, and 504 Small Business Administration (SBA) loans and Farm Services Agency (FSA) loans are also available from the institution. The following table depicts the institution's participation in Governmentally insured, guaranteed or subsidized loan programs for housing, small businesses, or small farms.

FCB, Inc. Special Loan Program Originations since February 1997		
Description	Number	Amount (000's)
FNMA	56	\$4,084
SBA	2	\$167
FSA	3	\$51
Total	61	\$4,302

The institution's volume of small business and small farm lending from January 1, 1997, to June 30, 1998, is represented in the following table by number and dollar amounts. Consumer and real estate secured loans sampled during the examination are also represented in this chart. This sample was selected from data provided by the bank for each of the three assessment areas.

Comparison of Credit Extended Inside and Outside of Assessment Areas

	Small Business/Farm*		Consumer		Residential Real Estate		Total	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
Number of Loans	993	85	194	29	210	31	1,397	145
Percentage of Loans	92%	8%	87%	13%	87%	13%	91%	9%
Amount of Loans (000's)	\$31,400	\$2,779	\$1,404	\$220	\$6,625	\$1,140	\$39,429	\$4,139
Percentage of Amount	92%	8%	86%	14%	85%	15%	90%	10%

\* The institution is required to collect information about these types of loans. Almost all of the reported loans were small business loans.

As illustrated above, a substantial majority of the number (91%) and dollar amounts (90%) of the loans have been provided to area residents and businesses. Overall, the percentage of loans made in the assessment areas is considered highly responsive to community credit needs.

The analysis of small business/small farm, consumer, and mortgage lending is discussed in greater detail later in the report. The analysis reveals a reasonable distribution of loans to individuals and businesses of different income levels and sizes. Loan penetration among moderate-, middle-, and upper-income geographies also appears responsive to community credit needs. There are no low-income BNAs within any of the assessment areas. Although lending to low-income borrowers is low in some instances, when all factors are considered (loan volume in the assessment areas, small business lending, lending to moderate-income borrowers, and lending in moderate-income geographies) the bank's performance under the lending test is considered high satisfactory.

**INVESTMENT TEST**

The institution's level of responding to community development needs through its investment activities is rated needs to improve. The bank's qualified investments consist of a limited number of donations and/or

grants to local charitable organizations whose operation benefit primarily low- and moderate-income people or areas.

**SERVICE TEST**

The overall rating of the institution under the service test is high satisfactory. Delivery systems and branch locations are considered readily accessible, and the hours of operation are convenient to all portions of the assessment areas. The bank’s participation in community development services is considered reasonable relative to limited opportunities within the bank's communities. 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. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

**NONMETROPOLITAN STATEWIDE AREAS**

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

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN TAYLOR AND PRESTON COUNTIES, WEST VIRGINIA:**

FCB operates three branches within this market. The area consists of 12 block numbering areas (BNAs) of which 11 (92%) are middle-income and one (8%) is upper-income. There are no low- or moderate-income geographies within the local community. According to 1990 census data, the assessment area has a population of 44,181 and a median housing value of \$40,392. The owner-occupancy rate for the market is 70% and is slightly higher than that for nonmetropolitan areas of West Virginia (65%). The 1997 median-family income for nonmetropolitan areas of West Virginia is \$27,600. The following table provides demographics for the assessment area by the income level of families and the percentage of population living in BNAs of varying income levels.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	21%	17%	21%	41%	100%
Percentage of Population Residing in BNAs by Income Level	N/A	N/A	92%	8%	100%
Percentage of Owner- Occupied Housing Units by Income Level of BNA	N/A	N/A	91%	9%	100%

Taylor County has traditionally relied on the coal, gas, oil, and timber industries as sources of employment. As available employment in these industries has declined, job growth has taken place in service-oriented businesses such as education and health care in addition to manufacturing. In Preston County, major industries include health care, manufacturing, and education. Public utilities and tourism provide additional employment opportunities. The unemployment rates as of August 1998 for this assessment area were 7.3% for Taylor County and 6.3% for Preston County. The jobless rate for the State of West Virginia is 6.4%. Based on 1990 census data, 17% of area families live below the poverty level. Furthermore, 18% of all

families within middle-income areas and 12% of all families within upper-income areas are below the poverty level.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PRESTON AND TAYLOR COUNTIES, WEST VIRGINIA:**

**LENDING TEST**

Geographic Distribution of Loans

The geographic distribution of the small business/farm loans is reflected in the following table. As previously noted, there are no low- or moderate-income BNAs within this assessment area.

Distribution of Loans by Income Level of BNA

	Middle-Income	Upper-Income	Total
Total Number of Loans	97	0	97
Percentage of Total Loans	100%	0%	100%
Total Amount of Loans (000's)	\$2,421	\$0	\$2,421
Percentage of Total Amount	100%	0%	100%

All of the bank’s loans extended within this market area were to businesses/farms in middle-income BNAs. Of all 1997 aggregate small business/small farm loans reported within this assessment area, 87% were extended to businesses/farms located in middle-income areas. All 18 mortgage loans for \$509 thousand and all 18 consumer loans for \$153 thousand were extended to individuals residing in middle-income areas.

Borrower Profile

The following charts illustrate the distribution of small business/small farm, mortgage, and consumer loans extended in the assessment area by the income level of the borrower and to businesses/farms of different sizes. Revenue sizes for the 1998 small business/small farm loans were not available and therefore not considered. However, the revenue information was available on a combined assessment area basis. Of the 558 small business/small farm loans originated in 1997 in the bank’s assessment areas, 546 (98%) were to businesses/farms with revenues less than \$1 million. Also, an analysis by loan amount for the 1997 small business/small farm loans for this assessment area was conducted and is represented below.

Distribution of 1997 Small Business/Small Farm Loans by Loan Amount for the Taylor and Preston Counties Assessment Area

	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
Number Total	93	96%	4	4%	0	0%	97	100%

As illustrated above, 96% of the small business/small farm loans in this assessment area were in amounts of \$100,000 or less. This level of lending is consistent with the 1997 aggregate small business/farm data, in which 93% of all reportable small business/farm loans within the assessment area were in amounts of

\$100,000 or less. Overall, the distribution of lending demonstrates a high level of responsiveness in meeting the credit needs of local small businesses and farms.

Distribution of Consumer Loans by Income Level of Borrower

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Consumer Loans	1	3	3	11	18
Percentage of Total Loans	5%	17%	17%	61%	100%
Total Amount of Consumer Loans (000's)	\$4	\$15	\$19	\$116	\$154
Percentage of Total Amount	2%	10%	12%	76%	100%

The volume of consumer loans extended to low-income borrowers (5%) is significantly lower than the proportion of area low-income families (21%). However, the level of lending to moderate-income borrowers (17%) matches the percentage of such families (17%) residing within the local market. A relatively small number of loans were in the sample for this assessment area. Small changes in the number of loans result in large percentage changes.

Distribution of Mortgage Loans by Income Level of Borrower

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Mortgage Loans	0	6	4	8	18
Percentage of Total Loans	0%	33%	22%	45%	100%
Total Amount of Mortgage Loans (000's)	\$0	\$117	\$149	\$243	\$509
Percentage of Total Amount	0%	23%	29%	48%	100%

As evidenced above, none of the sampled mortgage loans were extended to low-income borrowers. Mobile home loans not secured by real estate are not included in the above table. Mobile homes represent an affordable housing option for many low-income families. Since loans for this type of housing have not been considered, this may account, in part, for the absence of sampled mortgage loans to these families. The percentage of mortgage loans to moderate-income borrowers (33%), however, significantly exceeds the percentage of such families (17%) in this assessment area.

Although lending to low-income borrowers is somewhat low, overall, the institution's lending distribution to business/farms of different sizes and to borrowers of different income levels is reasonable using aggregate data and area demographics as a proxy for demand.

Community Development Loans

To the extent that the bank may have originated any loans for community development purposes in the assessment area, such financing has been reported as small business/farm loans.

## INVESTMENT TEST

The institution's level of responding to community development needs through its investment activities is rated needs to improve. The bank's investment portfolio is primarily comprised of Government securities that are not considered qualified investments under CRA. The bank's qualified investments consist of a limited number of donations and/or grants to local charitable organizations whose operations benefit primarily low- and moderate-income people or areas.

## SERVICE TEST

### Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment areas. One automated teller machine (ATM) is available in this assessment area and provides customers with 24-hour nationwide access. Bank by mail and by computer services are also offered by the institution for deposit and lending products. FCB, Inc., also provides customers with 24-hour telephone access to their accounts.

### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. All three of the bank's branches in this assessment area are located in middle-income BNAs. Branch offices are generally open Monday through Friday 8:00 a.m. until 6:00 p.m. and Saturday until noon. Additionally, the bank has drive-in and walk-up teller services available when the lobbies are closed.

### Community Development Services

The bank offers low-cost checking and savings accounts with nominal opening balance requirements. These accounts benefit all segments of the community including low- and moderate-income individuals. The bank has not participated in other activities that would qualify as community development services; however, opportunities for participation in such activities are limited within the bank's predominantly rural market.

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN UPSHUR, NICHOLAS, AND WEBSTER COUNTIES, WEST VIRGINIA:

Seven bank offices operate within this market. The area contains 16 block numbering areas (BNAs) of which four (25%) are moderate-income, 11 (69%) are middle-income, and one (6%) is upper-income. There are no low-income geographies in the local community. According to the 1990 census data, the assessment area has a population of 60,371 and a median housing value of \$42,900. The owner-occupancy rate for the market is 68% and is slightly higher than that for nonmetropolitan areas of West Virginia (65%). The 1997 median-family income for nonmetropolitan areas of West Virginia is \$27,600. The following table provides demographics for the assessment area by the income level of families and the percentage of population living in BNAs of varying income levels.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	26%	18%	20%	36%	100%
Percentage of Population	N/A	20%	75%	5%	100%



Residing in BNAs by Income Level					
Percentage of Owner-Occupied Housing Units by Income Level of BNA	N/A	20%	75%	5%	100%

Major industries in the area include coal mining, timber, and manufacturing. Nicholas County also enjoys some seasonal employment through regional tourism. Although the economies have improved somewhat during recent years, joblessness is still relatively high. The unemployment rates as of August 1998 for this assessment area were 7.3%, 7.5%, and 8.1% for Upshur, Nicholas, and Webster Counties, respectively. As mentioned previously, the jobless rate for the State of West Virginia is 6.4%. Based on 1990 census data, 22% of area families live below the poverty level. Furthermore, 31% of all families within moderate-income areas are below the poverty level.

**CONCLUSION WITH RESPECT TO PERFORMANCE TESTS IN UPSHUR, NICHOLAS, AND WEBSTER COUNTIES, WEST VIRGINIA:**

**LENDING TEST**

Geographic Distribution of Loans

The geographic distribution of loans is reflected in the following tables. The tables include the 1997 and 1998 small business/farm loan data as well as the sampled consumer and residential real estate loans (March 1997 through March 1998). As noted previously, there are no low-income areas in this assessment area.

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

	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	97	600	48	745
Percentage of Total Loans	13%	81%	6%	100%
Total Amount of Loans (000's)	\$2,316	\$20,813	\$1,586	\$24,715
Percentage of Total Amount	10%	84%	6%	100%

The bank's small business and small farm lending penetration in moderate-income geographies (13%) is slightly lower than the percentage of assessment area population (20%) residing in such areas. However, of all small business/small farm loans reported within this assessment area for 1997, 11% were extended to businesses/farms located in moderate-income BNAs.

Distribution of Consumer Loans by Income Level of BNA

	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	14	44	4	62
Percentage of Total Loans	23%	71%	6%	100%
Total Amount of Loans (000's)	\$73	\$213	\$22	\$308
Percentage of Total Amount	24%	69%	7%	100%

The percentage of consumer loans in moderate-income BNAs (23%) exceeds the percentage of population in such geographies (20%).

Distribution of Mortgage Loans by Income Level of BNA

	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Loans	31	87	7	125
Percentage of Total Loans	25%	70%	5%	100%
Total Amount of Loans (000's)	\$613	\$3,033	\$500	\$4,146
Percentage of Total Amount	15%	73%	12%	100%

Mortgage loans in moderate-income geographies (25%) exceed the percentage of owner-occupied housing units in such areas (20%).

Overall, the bank's geographic distribution of lending is considered responsive to community credit needs when compared to appropriate proxies for demand.

### Borrower Profile

The following charts illustrate the distribution of small business/small farm, mortgage, and consumer loans extended in the assessment area by the income level of the borrower and to businesses/farms of different sizes. As noted earlier, only 1997 revenue information for small business/small farm loans was available and nearly all within the assessment areas were to businesses or farms with revenues of \$1 million or less. Also, an analysis by loan amount for the 1997 small business/small farm loans for this assessment area was conducted and is represented below.

#### Distribution of 1997 Small Business/Small Farm Loans by Loan Amount for the Upshur, Nicholas, and Webster Counties Assessment Area

	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
Number Total	727	95%	24	3%	13	2%	764	100%

As illustrated above, 95% of the small business/small farm loans in this assessment area were in amounts of \$100,000 or less. This level of lending is consistent with the 1997 aggregate small business/farm data, in which 92% of all reportable small business/farm loans within the assessment area were in amounts of \$100,000 or less. Overall, the distribution of lending demonstrates a high level of responsiveness in meeting the credit needs of local small businesses and farms.

#### Distribution of Consumer Loans by Income Level of Borrower

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Consumer Loans	15	17	13	17	62
Percentage of Total Loans	24%	28%	21%	27%	100%
Total Amount of Consumer Loans (000's)	\$51	\$98	\$55	\$104	\$308
Percentage of Total Amount	16%	32%	18%	34%	100%

The volume of consumer loans extended to low- (24%) and moderate-income borrowers (28%) compares favorably to the proportion of such families residing in the assessment area (26% and 18%, respectively).

Distribution of Mortgage Loans by Income Level of Borrower

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Mortgage Loans	9	25	22	69	125
Percentage of Total Loans	7%	20%	18%	55%	100%
Total Amount of Mortgage Loans (000's)	\$136	\$603	\$536	\$2,871	\$4,146
Percentage of Total Amount	3%	15%	13%	69%	100%

As evidenced above, the volume of mortgage loans extended to low-income borrowers (7%) is significantly lower than the proportion of low-income families (26%). Again, alternative housing provided by mobile homes is not considered in this analysis and may account for the lower level of lending. The percentage of mortgage loans extended to moderate-income borrowers (20%) slightly exceeds the percentage of such families (18%) in this assessment area.

Overall, the institution’s lending distribution to businesses/farms of different sizes and to borrowers of different income levels is considered reasonable using aggregate data and area demographics as proxies for demand.

Community Development Loans

To the extent that the bank may have originated any loans for community development purposes in the assessment area, such financing has been reported as small business/farm loans.

**INVESTMENT TEST**

The institution’s level of responding to community development needs through its investment activities is rated needs to improve. The bank’s qualified investments within this assessment area consist of a limited number of donations and/or grants to local charitable organizations whose operations benefit primarily low- and moderate-income people or areas.

**SERVICE TEST**

Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment areas. Three automated teller machines (ATM’s) are available in this assessment area and provide customers with 24-hour nationwide access. Bank by mail and by computer services are also offered by the institution for deposit and lending products. FCB, Inc., also provides customers with 24-hour telephone access to their accounts.

Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area.

Three of the bank's branches are located in moderate-income areas. Branch offices are generally open Monday through Friday 8:00 a.m. until 6:00 p.m. and Saturday until noon. Additionally, the bank has drive-in and walk-up teller services available when the lobbies are closed.

Community Development Services

The bank offers low-cost checking and savings accounts with nominal opening balance requirements. These accounts benefit all segments of the community including low- and moderate-income individuals. Furthermore, the SBA uses bank premises for small business seminars designed to assist new and existing small business proprietors. The bank has not participated in other activities that would qualify as community development services; however, opportunities for participation in such activities are limited within this predominantly rural market.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN LOGAN AND WYOMING COUNTIES, WEST VIRGINIA**

Within these two counties, FCB operates six branches. The area consists of 13 block numbering areas (BNAs) all of which are middle-income. According to 1990 census data, the assessment area has a population of 72,022 and a median housing value of \$38,914. The owner-occupancy rate for the market is 69% and is slightly higher than that for nonmetropolitan areas of West Virginia (65%). The 1997 median family income for nonmetropolitan areas of West Virginia is \$27,600. The following table provides demographics for the assessment area by the income level of families and the percentage of population living in BNAs of varying income levels.

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Percentage of Area Families by Income Level	26%	17%	18%	39%	100%
Percentage of Population Residing in BNAs by Income Level	N/A	N/A	100%	N/A	100%
Percentage of Owner-Occupied Housing Units by Income Level of BNA	N/A	N/A	100%	N/A	100%

The local economy, which relies heavily on the declining coal mining industry, had unemployment rates as of August 1998 of 12.7% for Logan County and 11.7% for Wyoming County. The jobless rate for the State of West Virginia is 6.4%. Based on 1990 census data, 24% of area families live below the poverty level.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOGAN AND WYOMING COUNTIES, WEST VIRGINIA:**

**LENDING TEST**

Geographic Distribution of Loans

As previously mentioned, all of the BNAs located within this assessment area are middle-income. Therefore, the distribution of lending by income level of geographies was not considered in evaluating the institution's performance in this market.

## Borrower Profile

The following charts illustrate the distribution of small business/small farm, mortgage, and consumer loans extended in the assessment area by the income level of the borrower and to businesses/farms of different sizes. As noted earlier, only 1997 revenue information for small business/small farm loans was available and almost all such loans were to businesses or farms with revenues of \$1 million or less. Also, an analysis by loan amount for the 1997 small business/small farm loans for this assessment area was conducted and is represented below.

### Distribution of 1997 Small Business/Small Farm Loans by Loan Amount for the Logan and Wyoming Counties Assessment Area

	\$0 - \$100,000		>\$100,000 to \$250,000		> \$250,000		Total	
Number Total	116	95%	5	4%	1	1%	122	100%

As illustrated in the preceding table, 95% of the small business/small farm loans in this assessment area were in amounts of \$100,000 or less. This level of lending is consistent with the 1997 aggregate small business/farm data, in which 95% of all reportable small business/farm loans within the assessment area were in amounts of \$100,000 or less. Overall, the distribution of lending demonstrates a high level of responsiveness in meeting the credit needs of local small businesses and farms.

### Distribution of Consumer Loans by Income Level of Borrower

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Consumer Loans	14	27	29	44	114
Percentage of Total Loans	12%	24%	25%	39%	100%
Total Amount of Consumer Loans (000's)	\$58	\$143	\$214	\$528	\$943
Percentage of Total Amount	6%	15%	23%	56%	100%

The volume of consumer loans extended to low-income borrowers (12%) is lower than the proportion of area low-income families (26%). However, the level of lending to moderate-income borrowers (24%) exceeds the percentage of moderate-income families (17%) residing within the assessment area.

### Distribution of Mortgage Loans by Income Level of Borrower

	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
Total Number of Mortgage Loans	2	13	14	38	67
Percentage of Total Loans	3%	19%	21%	57%	100%

Total Amount of Mortgage Loans (000's)	\$57	\$295	\$432	\$1,186	\$1,970
Percentage of Total Amount	3%	15%	22%	60%	100%

As illustrated above, the volume of mortgage loans to low-income borrowers (3%) is significantly less than the proportion of area low-income families (26%). However, the percentage of mortgage loans to moderate-income borrowers (19%) slightly exceeds the percentage of such families (17%) in this assessment area. Mobile home loans not secured by real estate provide an alternative housing option for many low-income families and are not included in the table above.

Overall, the institution's lending distribution to businesses/farms of different sizes and to borrowers of different income levels is considered reasonable using aggregate data and area demographics as proxies for demand. Lending to low-income borrowers is considered low.

### Community Development Loans

To the extent that the bank may have originated any loans for community development purposes in the assessment area, such financing has been reported as small business/farm loans.

### **INVESTMENT TEST**

The institution's level of responding to community development needs through its investment activities is rated needs to improve. The bank's qualified investments in the assessment area consists of a limited number of donations and/or grants to local charitable organizations whose operations benefit primarily low- and moderate-income people or areas.

### **SERVICE TEST**

#### Accessibility of Delivery Systems

Delivery systems are accessible to all portions of the assessment areas. Four automated teller machines (ATM's) are available in this assessment area and provide customers with 24-hour nationwide access. Bank by mail and by computer services are also offered by the institution for deposit and lending products. FCB, Inc., also provides customers with 24-hour telephone access to their accounts.

#### Branch Locations and Hours of Operation

Branch locations and business hours are considered convenient and meet the needs of the assessment area. Branch offices are generally open Monday through Friday 8:00 a.m. until 6:00 p.m. Additionally, all branches have Saturday hours and one branch offers Sunday hours. The bank also has drive-in and walk-up teller services available when the lobbies are closed.

#### Community Development Services

The bank offers low-cost checking and savings accounts with nominal opening balance requirements. These accounts benefit all segments of the community including low- and moderate-income individuals. The bank has not participated in other activities that would qualify as community development services; however, opportunities for participation in such activities are limited within this predominantly rural market.