



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

March 3, 2003

Community Reinvestment Act Performance Evaluation

**Old Point National Bank of Phoebus
Charter Number: 12267**

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Hampton, VA 23663**

**Office of the Comptroller of the Currency
Virginia Field Office
3800 Electric Road, Suite 204
Roanoke, Virginia 24018**

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, and should not 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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Overall CRA Rating

Institution's CRA Rating: This institution is Satisfactory.

The following table indicates the performance level of with respect to the Lending, Investment, and Service Tests:

Performance Levels	Old Point National Bank of Phoebus Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Lending levels that reflect good responsiveness to the credit needs of its assessment area (AA).
- Good distribution of loans among geographies of different income levels throughout its AA.
- Excellent distribution of loans among borrowers of different income levels throughout its AA.
- A high percentage of the bank's loans are made in its AA.
- Community development lending levels that had a positive impact on performance in the AA.
- The bank has a significant level of qualified investments in the AA.
- Service delivery systems are accessible to geographies and individuals of different income levels.
- The bank hours and services do not vary in a way that inconveniences geographies and individuals of different income levels.
- The bank provided a relatively high level of community development services.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): 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 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: 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.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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 household and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract or a block numbering area 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 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 (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing 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 Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of

individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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.

Description of Institution

The Old Point National Bank of Phoebus (OPNB) is an intrastate bank headquartered in Hampton, Virginia. The bank is owned by Old Point Financial Corporation (OPFC), a \$577 million holding company. OPFC is also headquartered in Hampton and owns Old Point Trust and Financial Services, N.A., which is located in Newport News, Virginia. OPFC stock is traded on the NASDAQ Small Cap market under the symbol OPOF.

OPNB is a full-service community bank serving the Hampton Roads area, which encompasses southeastern Virginia from James City County through the city of Chesapeake. OPNB operates 15 full-service branches, three limited service branches, 15 deposit-taking ATMs and 13 cash-only ATMs in the AA. One full-service branch was opened in an upper-income geography during the evaluation period. No branches were closed during the same period.

OPNB was established in 1922 and had total assets of \$572 million as of December 31, 2002. Based on outstandings, loans to businesses is a major product, followed by home mortgage loans and consumer loans. At December 31, 2002, net loans were \$373 million, which equaled 65.2% of total assets. Net loans were distributed as follows: 38.0% commercial and industrial loans including commercial real estate loans, 28.7% secured by residential real estate, 24.2% to individuals, 7.0% construction and development loans, 2.1% all others. Tier 1 capital was \$50.4 million. Tier 1 risk-based capital to risk weighted assets equaled 12.6%. Tier 1 leverage capital equaled 8.9%.

OPNB has no subsidiaries. During the evaluation period, there were no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its AA. The bank received a "Satisfactory" rating in its August 2000 CRA Performance Evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. The evaluation under the Lending Test covers the bank's performance from January 1, 2000 through December 31, 2002, excluding community development loans. We reviewed small loans to businesses and home mortgage loans. Small loans to farms were excluded because OPNB made no small loans to farms during the evaluation period. The evaluation period for community development loans, the Investment Test, and the Service Test is August 7, 2000 to March 3, 2003.

Data Integrity

As part of this CRA evaluation, the bank's publicly filed information on HMDA loans and small loans to businesses was tested for accuracy. The test included an evaluation of the bank's processes to ensure that the data was reliable.

We found significant errors in the HMDA loan data. As a result, management was required to review and correct the data. During February 2003, we evaluated the bank's corrected data and found it to be reliable. This evaluation is based on accurate data.

Community development investments and services submitted by bank management were verified to ensure that they met the regulatory definition for community development.

Selection of Areas for Full-Scope Review

OPNB does business in one AA which is comprised of portions of the Norfolk-Virginia Beach-Newport News MSA 5720 along the coast in eastern Virginia. The AA received a full-scope review. Refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based on the rating for the state of Virginia. The state rating is based on the Norfolk News-Virginia Beach MSA 5720 AA that received a full-scope review.

Fair Lending Review

An analysis of the most recent years public comments, consumer complaint information, HMDA and small business lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in August 2000.

Conclusions with Respect to Performance Tests

Description of Institution's Operations in Virginia

OPNB's business is concentrated in the Norfolk-Newport News-Virginia Beach MSA 5720, located on the eastern coast of Virginia. OPNB ranked 34th among 168 financial institutions in the state. As of June 30, 2002, OPNB had total deposits of \$428 million equal to less than a 1% deposit market share in the state of Virginia. Their primary competitors are SunTrust Bank, Bank of America, N.A., Wachovia Bank, N.A. and Branch Banking and Trust Company of Virginia. OPNB operates 18 branches and 28 ATMs in the Hampton Roads area.

Refer to the market profile for the state of Virginia in Appendix C for detailed demographics and other performance context information for the AA that received a full-scope review.

LENDING TEST

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered the bank's business strategy and financial condition, the number and types of loans originated, and community credit needs identified through discussions with community contacts. We also considered the amount of competition from lenders not located in the AA. Although there were only 21 financial institutions with a deposit presence in the AA, there were 354 HMDA reporters and 74 CRA reporters that made loans in the AA during 2001, the year used for market share comparisons.

OPNB's primary loan types, based on originations during the evaluation period, are loans to businesses and home mortgage loans. To achieve the lending test rating, loans to businesses were given slightly more weight than HMDA loans because there were 16% more originations during the evaluation period. Within HMDA loan types, refinance loans were weighted more heavily than home purchase or home improvement loans because they represented 45% of all HMDA loans originated during the evaluation period.

Conclusions for Area Receiving a Full-Scope Review

Lending Test performance in the Norfolk-Newport News-Virginia Beach MSA 5720 AA is rated **High Satisfactory**.

Lending Activity

Lending activity in the Norfolk-Newport News-Virginia Beach MSA 5720 is good. At June 30, 2002, the bank ranked 5th among 21 financial institutions in the AA with a 6%

market share of deposits. Among all 354 HMDA reporters in the AA, the bank ranked 39th, 4th, and 21st in market share in home purchase, home improvement and refinance loans, respectively. Among banking institutions in the AA, OPNB ranked 9th, 2nd, and 6th in market share in home purchase, home improvement and refinance loans, respectively.

Among 74 CRA reporters, the bank ranked 9th in market share of small loans to businesses and 8th in loans to businesses with less than \$1 million in gross annual revenues. Among institutions located in the AA, OPNB ranked 4th in market share of small loans to businesses and in loans to businesses with less than \$1 million in gross annual revenue.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans by income level was good. The geographic distribution of home mortgage loans by income level was adequate. The geographic distribution of small loans to businesses was good. No unexplained conspicuous gaps were identified. A high percentage of the bank's loan originations were in their AA.

We considered the following factors in evaluating the bank's performance in lending in low-income geographies:

- Less than 3% of owner-occupied housing units are located in low-income geographies.
- Less than 4% of businesses are located in low-income geographies.

Home Mortgage Loans

Home purchase loan geographic distribution within the Norfolk-Newport News-Virginia Beach MSA 5720 was good. The portion of loans made in low-income geographies was well below the percent of owner-occupied units in like geographies. The portion of loans in moderate-income geographies was well below the percent of owner-occupied units in like geographies. The market share of home purchase loans in low-income geographies exceeded the bank's overall market share of home purchase loans in the AA. The market share of home purchase loans in moderate-income geographies exceeded the bank's overall market share of home purchase loans in the AA.

Home improvement loan geographic distribution within the AA was good. The portion of loans made in low-income geographies was significantly below the percent of owner-occupied units in like geographies. The portion of loans in moderate-income geographies exceeded the percent of owner-occupied units in like geographies. There were no home improvement loans made in 2001, the year for which market share comparisons are made. The market share of home improvement loans in moderate-income geographies exceeded the bank's overall market share of home improvement loans in the AA.

Home refinance loan geographic distribution within the AA was adequate. The portion of loans made in low-income geographies was significantly below the percent of owner-

occupied units in like geographies. The portion of loans in moderate-income geographies was well below the percent of owner-occupied units in like geographies. The market share of home refinance loans in low-income geographies was below the bank's overall market share of home refinance loans in the AA. The market share of home refinance loans in moderate-income geographies was equal to the bank's overall market share of home purchase loans in the AA.

Multi-family Loans

The volume of multi-family loans originated in the AA was not significant and was not used in the Lending Test evaluation. OPNB made only three multi-family loans during the evaluation period.

Small Loans to Businesses

The geographic distribution of small loans to businesses was good. The distribution of small loans to businesses in low-income geographies was significantly below the percent of businesses in like geographies. The distribution of small loans to businesses in moderate-income geographies exceeded the percent of businesses in like geographies. The bank's market share of loans to businesses in low-income geographies was significantly below their overall market share of loans in the AA. The bank's market share of loans to businesses in moderate-income geographies exceeded their overall market share of loans in the AA.

Lending Gap Analysis

We evaluated the lending distribution to determine if any unexplained conspicuous gaps existed. We used reports and maps to compare the geographies where loans were made to the geographies in the AA. We considered loan distributions, branch locations, competition, market conditions, and demographic information. No unexplained conspicuous gaps were identified. This had a positive impact on the bank's geographic distribution of loans.

Inside/Outside Ratio

A high percentage of the bank's loan originations were in their AA. Overall, 86% of the bank's loan originations were within their AAs. By loan product, 86% of home mortgage loans and 87% of small loans to businesses were inside the bank's AAs. This analysis was performed on the entire bank rather than by AA.

Distribution of Loans by Income Level of the Borrower

The overall geographic distribution of loans by income level in the AA was excellent. The geographic distribution of home mortgage loans by income level was good. The geographic distribution of small loans to businesses was excellent. A majority of small loans to businesses were for amounts less than \$100 thousand.

Home Mortgage Loans

Home purchase loan borrower distribution was adequate. The portion of loans made to low-income borrowers was significantly below the percent of low-income families within the AA. The portion of loans to moderate-income borrowers exceeded the percent of moderate-income families within the AA. The market share of home purchase loans to low-income borrowers was below the bank's overall market share for this type of loan within the AA. The market share of home purchase loans to moderate-income borrowers was well below the bank's overall market share for this type of loan within the AA.

Home improvement loan borrower distribution was excellent. The portion of loans made to low-income borrowers was below the percent of low-income families within the AA. The portion of loans to moderate-income borrowers exceeded the percent of moderate-income families within the AA. The market share of home improvement loans to low-income borrowers exceeded the bank's overall market share for this type of loan within the AA. The market share of home improvement loans to moderate-income borrowers was near to the bank's overall market share for this type of loan within the AA.

Home refinance loan borrower distribution was good. The portion of loans made to low-income borrowers was significantly below the percent of low-income families within the AA. The portion of loans to moderate-income borrowers was below the percent of moderate-income families within the AA. The market share of home refinance loans to low-income borrowers exceeded the bank's overall market share for this type of loan within the AA. The market share of home purchase loans to moderate-income borrowers exceeded the bank's overall market share for this type of loan within the AA.

Small Loans to Businesses

The borrower distribution of small loans to businesses was excellent. The percentage of loans to small businesses was near to the percent of businesses in the AA. The bank's market share of small loans to businesses exceeded their overall market share of loans in the AA. The bank also made a majority of its loans in smaller amounts.

Community Development Lending

Community development lending had a positive impact on lending performance in the AA. During the evaluation period, OPNB originated 20 community development loans totaling \$2.8 million. Loans were for various operating needs to organizations that provide community development services including services that support affordable housing for LMI families and persons with disabilities. Loans also provided funds for the renovation of 10 single family homes for LMI families and funded the construction of an adult care facility targeted to LMI persons.

Product Innovation and Flexibility

OPNB's Lending Test performance in Virginia was enhanced by the offering of a bank-wide flexible mortgage loan product that helps meet the credit needs of LMI home buyers. Refer to the Norfolk-Newport News-Virginia Beach MSA 5720 section of the Evaluation for information regarding product flexibility.

INVESTMENT TEST

Conclusions for Area Receiving a Full-Scope Review

The bank's performance under the Investment Test is rated **High Satisfactory**. Based on a full-scope review, performance in the AA is good.

The bank has a significant level of qualified investments in the AA. The bank showed good responsiveness to credit and community development needs.

The bank made 42 contributions totaling \$165 thousand to community development organizations that provide direct support, services and activities that impact moderate-income geographies and low- and moderate-income individuals in the AA. The bank had one prior period investment totaling \$1.2 million still outstanding. This investment is a bond to finance the construction and permanent funding of 40 units of rental housing in an Enterprise Zone in Newport News. The occupants of the project must be at or below 60% of the area's median family income. According to two community contacts, a need exists in the area for affordable housing to low- and moderate-income families. Total investments were equal to 2.7% of Tier 1 capital.

SERVICE TEST

Conclusions for Area Receiving a Full-Scope Review

The bank's performance under the service test in Virginia is rated **Outstanding**. Based on a full-scope review, the bank's performance in the AA is excellent.

Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels throughout its AA. The majority of low- and moderate-income families reside in moderate- and middle-income geographies, 25.3% and 46.4%, respectively. While 20% of the bank's branches are located in moderate-income geographies, 47% are located in middle-income geographies. The bank does not have any branches located in low-income geographies, however, these geographies account for only 14% of low- or moderate-income families and only 7% of the total population.

Branch openings and closings have not adversely affected the accessibility of the bank's delivery systems, particularly in low- and moderate-income geographies and to

low- and moderate-income individuals. OPNB closed no branches during the evaluation period. The bank opened one branch in an upper-income geography during the evaluation period.

The bank's hours and services do not vary in a way that inconveniences individuals of differing income levels living in the AA. Office hours and services throughout the AA are comparable among locations regardless of income levels and geography.

Community Development Services

The bank provided a relatively high level of community development services. Officers and staff contributed services to 29 community service organizations in the AA during the evaluation period. These services consistently addressed community development needs through service on committees and boards of directors for organizations that provide affordable housing and financial services to LMI areas or individuals and fund raising for organizations that provide services to low- and moderate-income individuals and geographies. Bank representatives also served as speakers at seminars for various organizations that provide information and education to small businesses.

Additionally, OPNB is a member of the Federal Home Loan Bank of Atlanta (FHLB). The FHLB administers a competitive grant program that provides funding for low-income, single-family and multi-family housing development. OPNB applied for, and received, a \$60,000 grant under the program for their partner community development organization, Peninsula Habitat for Humanity. Funds from the grant will be used to reduce the principle mortgage balances of 11 first-time, very low-income families who will purchase new homes in the Newport News area.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): 1/1/2000 to 12/31/02 Investment and Service Tests and CD Loans: 8/7/2000 to 3/3/2003	
Financial Institution	Products Reviewed	
The Old Point National Bank of Phoebus	Home mortgage loans Small loans to businesses Optional loans; business lines of credit, business purpose loans secured with residential real estate Community development loans, services and investments	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Old Point Financial Corporation Old Point Trust & Financial Services, N.A.	Holding Company Affiliate	Investments and services
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Virginia Norfolk-Newport News-Virginia Beach MSA 5720	Full-Scope	The counties of York and James City The cities of Hampton, Newport News, Poquoson, and Williamsburg Census tracts 0035.01, 0035.02, 0036.00, 0037.00, 0038.00, 0039.00, 0039.99, 0040.01, 0040.02, 0041.00, 0042.00, 0043.00, 0046.00, 0046.99, 0047.00, 0048.00, 0049.00, & 0049.99. in the City of Norfolk Census tract 210.01 in the City of Chesapeake

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Norfolk-Newport News-Virginia Beach MSA 5720..... B-2

State of Virginia

NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720

Demographic Information for Full Scope Area: NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	108	12.04	16.67	32.41	25.00	13.89
Population by Geography	443,476	7.34	16.78	48.52	27.32	0.04
Owner-Occupied Housing by Geography	92,086	2.96	12.46	48.04	36.54	0.01
Business by Geography	24,796	3.82	13.07	46.32	36.69	0.10
Farms by Geography	474	1.69	9.70	49.79	38.82	0.00
Family Distribution by Income Level	116,112	19.78	17.80	23.03	39.39	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	43,630	14.18	25.28	46.44	14.10	0.00
Median Family Income		34,688	Median Housing Value		89,795	
HUD Adjusted Median Family Income for 2002		53,800	Unemployment Rate (1990 US Census)		2.93%	
Households Below Poverty Level		12.56%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 US Census and 2002 HUD updated MFI

The Norfolk-Newport News-Virginia Beach MSA 5720 AA includes the counties of James City and York, the cities of Hampton, Newport News, Poquoson and Williamsburg and select census tracts in the cities of Chesapeake and Norfolk. The greater metropolitan area is commonly known as Hampton Roads and is located along the eastern Virginia coast.

The Hampton Roads area is the fourth largest metro area in the Southeast U.S. It is home to the second largest shipping port on the east coast and is the mid-Atlantic terminus for a major national railroad. The Norfolk International Airport is generally within a 30 minute commute of all business and residential areas.

Retail businesses are both the largest employers and the largest business segment in the area. Health care providers are the second largest employer but are sixth in terms of number of establishments. The construction industry ranks second by number of establishments and is the fifth largest employer. The Hampton Roads area is also home to one of the largest military complexes in the country with bases representing each branch of the armed services.

Economic conditions in the area are relatively good. The unemployment rate is only slightly higher than the Virginia state rate of 2.5% but lower than the national average of 3.1%. The poverty level is higher than the state's poverty level of 10.5% but below the national average of 12.7%.

OPNB operates 18 branches in the AA, fifteen of which are full-service, and 28 ATMS, 15 of which accept deposits. Of all reporting FDIC-insured institutions in the AA, OPNB was ranked fifth in market share with 6% of total deposits. There were 21 banking companies operating a total of 223 branches in the AA. OPNB's primary competitors are credit unions that serve area military families. Commercial banking competitors include SunTrust Bank, Bank of America and Branch Banking and Trust Company of Virginia.

OPNB's primary business focus in this AA is lending to businesses. OPNB also engages in residential real estate lending in the AA. The bank offers a special loan program designed to give maximum assistance to home buyer's whose household income is less than \$40,000 per year. The program offers a 97% LTV with only a 1% downpayment required from borrower. PMI is not required on loans with less than 90% LTV. There is no underwriting fee, no tax service fee, a reduced appraisal fee, and in-house approval.

We conducted two community contacts to determine credit and development needs in the AA. Based on our contacts and review of information available on the internet, investment and service opportunities are available in the AA.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that OPNB provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by OPNB in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units

throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by OPNB in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments.

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME												
Geography: STATE OF VIRGINIA												
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002												
MA/Assessment Area (2003):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	100.00	1,025	78,873	1,457	133,812	0	0	20	2,815	2,502	215,500	100.00

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From August 07, 2000 to March 03, 2003.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: STATE OF VIRGINIA		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area (2003):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Other Optional Loans**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:								
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	100.00	147	12,726	84	9,944	63	2,782	100.00

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

**The evaluation period for Optional Product Line(s) is From January 01, 2000 to December 31, 2002.

***Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: STATE OF VIRGINIA				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography *				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	260	100.00	2.96	1.54	12.46	6.92	48.04	48.08	36.54	43.46	0.61	0.63	0.63	0.56	0.66

* Based on 2001 Peer Mortgage Data: US & PR.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF VIRGINIA				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	311	100.00	2.96	0.32	12.46	12.86	48.04	55.63	36.54	31.19	8.81	0.00	11.96	10.82	6.01

* Based on 2001 Peer Mortgage Data: US & PR.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: STATE OF VIRGINIA				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	451	100.00	2.96	0.67	12.46	7.32	48.04	43.90	36.54	48.12	1.31	0.98	1.31	1.34	1.28	

^{*} Based on 2001 Peer Mortgage Data: US & PR.

^{**} Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: STATE OF VIRGINIA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	1,457	100.00	3.82	0.27	13.07	22.92	46.32	51.96	36.69	24.85	3.88	0.57	6.41	4.69	2.68									

* Based on 2001 Peer Small Business Data: US&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF VIRGINIA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	260	100.00	19.78	7.02	17.80	18.60	23.03	22.73	39.39	51.65	0.70	0.57	0.40	0.61	0.93	

* Based on 2001 Peer Mortgage Data: US & PR.

** As a percentage of loans with borrower income information available. No information was available for 6.92% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF VIRGINIA					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]					
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp	
Full Review:																
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	311	100.00	19.78	13.44	17.80	19.67	23.03	31.80	39.39	35.08	9.12	18.06	7.93	10.57	7.14	

^{*} Based on 2001 Peer Mortgage Data: US & PR.

^{**} As a percentage of loans with borrower income information available. No information was available for 1.93% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

^{****} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: STATE OF VIRGINIA				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	451	100.00	19.78	8.41	17.80	14.49	23.03	30.37	39.39	46.73	1.88	2.57	1.92	2.36	1.57	

* Based on 2001 Peer Mortgage Data: US & PR.

** As a percentage of loans with borrower income information available. No information was available for 5.10% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF VIRGINIA			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	1,457	100.00	73.72	59.16	78.32	15.29	6.39	3.88	5.52

^{*} Based on 2001 Peer Small Business Data: US&PR.

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 7.76% of small loans to businesses originated and purchased by the bank.

Table 13. Qualified Investments

QUALIFIED INVESTMENTS									
			Geography: STATE OF VIRGINIA		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	1	1,200	42	165	43	1,365	100.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: STATE OF VIRGINIA																	
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
NORFOLK-NEWPORT NEWS-VIRGINIA BEACH MSA 5720	100.00	15	100	0.00	20.00	46.67	33.33	1	0	0	0	0	1	7.34	16.78	48.52	27.32