



March 5, 2009

Mr. Neil M. Barofsky
Office of the Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Avenue, NW, Suite 1064
Washington, DC 20220

Dear Mr. Barofsky:

We are in receipt of your letter dated February 6, 2009 and we offer the following information in response to your inquiry on the use of TARP funds and our compliance with the Emergency Economic Stabilization Act ("EESA") executive compensation requirements.

1. (a) On November 21, 2008, First Community Bancshares, Inc. ("FCBI") issued to the U.S. Department of the Treasury (the "Treasury"), in exchange for aggregate consideration of \$41.5 million, a total of 41,500 shares of Fixed Rate Cumulative Perpetual Preferred Stocks, Series A under the TARP Capital Purchase Program (the "CPP Financing"). Upon receipt of the TARP funds, we filed notice with the Office of the Comptroller of the Currency ("OCC") requesting its approval for the injection of the proceeds from the CPP Financing, in the form of a mirror preferred stock, into our wholly-owned bank subsidiary, First Community Bank, N. A. ("the Bank"). Funds in the amount of \$40.5 million were injected into the Bank on December 16, 2008, on verbal advice from the OCC, with the actual letter approval issued on January 14, 2009. The injection of the funds into the Bank was and remains intended for use in Bank operations, principally funding lending operations.

1. (b) The proceeds received from the CPP Financing were not specifically segregated from other funds at the Bank. As referenced above, \$40.5 million of the proceeds were injected in the Bank to be used in its lending operations, while \$1 million of the proceeds remains at the parent company.

1. (c) Upon receipt, the proceeds from the CPP Financing were invested, through the Bank, in overnight, inter-bank Fed Funds to maintain invested status until the funds could be further deployed in our lending activities. The TARP funds were subsequently reinvested in a series of GNMA mortgage pools (Annex A) as short-term investments with sufficient liquidity to allow for future sales as funds are needed to accommodate loan demand. It should be noted that the Bank held a \$488.3 million investment portfolio at the time of the CPP Financing. At that time, the Bank's loan-to-deposit ratio was approximately 85%.

1. (d) The proceeds from the CPP Financing are available for business and consumer lending activities as demand and opportunities are presented. In support of the free flow of business and consumer credit within our markets, we continue marketing our lending services through our Retail and Commercial channels. As discussed in more detail below, from November 21, 2008 (the "CPP Closing Date") to February 18, 2009, the Bank has originated or renewed approximately \$95 million in loans, which is more than double the \$41.5 million in funds received in the CPP Financing. Accordingly, we do not view the Bank as having any "unspent" TARP funds. Following are combined results for our Retail and Commercial Divisions.

Since the CPP Closing Date through February 18, 2009, we have closed/funded 1,320 new loans for a total of \$73.14 million in loans of all types. These loans are detailed by loan type and by region on Annex B.

In addition to new loans detailed above, we have renewed 123 loans totaling \$22.01 million. These loans are detailed by loan type and by our operating division at Annex C. New loans together with renewed loans generated total loan production of \$95.15 million.

Within our Retail Division, and included in the totals above, we have received 1,883 loan applications between the CPP Closing Date and February 18, 2009. Of these, 1,114, or 59.2%, were approved and 976 have been funded for a total of \$28.04 million. Not included in the combined totals above are additional approved and pending retail loans totaling \$11.05 million, as of February 18, 2009. This results in funded and pending loans of \$39.09 million within our Retail Division since the CPP Closing Date.

In addition to closed loans, we are processing a pipeline of commercial, small business and retail loans which are at various stages of credit analysis and underwriting. Many of these loans will be approved for funding and our ability to ultimately close those loans is dependent on acceptance of terms by the borrowers as well as their ability to meet underwriting and closing conditions. At Annex D, we have included our Pipeline Report which details new and renewed loans of \$103.97 million for our combined Commercial, Small Business and Retail Divisions; as of February 19, 2009 for our Retail Division and as of February 20, 2009 for our Commercial and Small Business Divisions. This pipeline consisted of 592 loans with \$44.12 million in new loan requests and \$59.85 million in renewal requests. Our ability to close these loans is subject to completed underwriting, receipt of proper approvals and the acceptance by borrowers of closing conditions. The inclusion of loans within our Pipeline Report is not intended to represent future loan balances, as not all loans will prove creditworthy to the Bank and certain loan proposals will not be accepted by the applicant.

We believe that the foregoing information demonstrates our continuing efforts to provide credit for retail and business purposes. It should be noted that despite our significant daily efforts, we are working against the tide of a contracting economy, weak financial indicators, and many borrowers whose credit capacity has been limited by these economic conditions. Accordingly, there are no assurances that the Bank can continue to

originate loans at the same level as for the period described above. Despite these factors, we are working hard to make credit available to all creditworthy, prospective borrowers, as the development of new credit arrangements and the expansion of our retail, commercial and small business loan portfolios are in our best interests, as a company, as well as those of our local and national economies.

2. In regard to our plans and implementation addressing the executive compensation requirements associated with our participation in the CPP Financing, we have taken the following actions in order to comply with the TARP CPP executive compensation requirements including Section 111(b) of ESSA as in effect on the CPP Closing Date:

Our Senior Executive Officers (“SEOs”) executed the required waivers relating to compensation restrictions within Section 111(b) of EESA.

The FCBI Compensation Committee convened on December 3, 2008 and undertook the required review for compensation elements incentivizing our SEOs to take excessive and/or unnecessary risks with respect to our institution. The Committee determined that no compensatory plans or elements of compensation relating to our SEOs involved unnecessary or excessive risk-taking. Accordingly, no repeal or remedial action was or is necessary.

We acknowledge and agree to the deductibility limitation on compensation in excess of \$500,000 for SEO’s and have instituted controls and procedures to limit the deduction for such compensation for federal income tax purposes to \$500,000 for each SEO.

Although not required by EESA as in effect on the CPP Closing Date, executive management of FCBI and the Bank has elected to forego any and all cash bonuses which might otherwise be payable to SEOs in respect to the 2008 fiscal and calendar year,

Our SEOs currently have no “golden parachute payment” arrangements as defined under Section 280G of the IRC as amended by EESA Section 111.

We recently amended supplemental executive retirement plans for the SEOs and other officers to provide for a new defined benefit in lieu of the prior “Index Benefit” which was tied to the performance of certain insurance policies on the life of the executive. The amendment also changed the benefit formula to include all years of service. This change resulted in the award of prior service credit for certain SEOs.

FCBI has appointed its Director of Risk Management to serve as Chief TARP Compliance Officer (“CTCO”) and the CTCO will provide oversight of the required certification process. The CEO of FCBI is preparing the required certification and the Compensation Committee is preparing for its certification of its reviews of SEO compensatory arrangements in its forthcoming Compensation

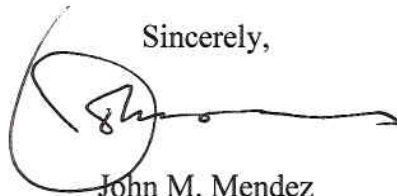
Discussion and Analysis in the pending 2009 Proxy Statement for our annual meeting of stockholders.

As you are aware, the recently enacted American Recovery and Reinvestment Act of 2009 ("ARRA") significantly amended portions of the EESA as it relates to executive compensation. We are currently evaluating the requirements of the ARRA and how it affects our compensation arrangements. We intend to take such action as is necessary to comply with the new restrictions and limitations on executive compensation as required by EESA, as amended by ARRA.

I trust that the foregoing is complete and useful in satisfying your information request. Please do not hesitate to contact me if you find that you need additional information.

The foregoing information and related Annexes are provided in response to the information request by the Special Inspector General dated February 6, 2009. The undersigned duly authorized senior executive officer of FCBI hereby certifies, to the best of his knowledge and further qualified by the accuracy of information provided to me, the accuracy of the foregoing statements, representations and supporting information.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Mendez', with a long horizontal flourish extending to the right.

John M. Mendez

President & Chief Executive Officer

Attachments: Annex A Short Term Investments
Annex B New Loans November 21, 2008 through February 18, 2009
Annex C Renewed Loans November 21, 2008 through February 18, 2009
Annex D Commercial and Business Loan Pipeline

**First Community Bank, N. A.
GNMA Short-Term Investments**

<u>Trade Date</u>	<u>Par</u>	<u>Description</u>	<u>Coupon</u>	<u>Price</u>	<u>Yield</u>	<u>Maturity</u>
11/25/08	25,000,000	GNMA II Pool #4310	6.00%	102.0000	5.55%	12/20/38
12/03/08	<u>17,094,874</u>	GNMA II Pool #4156	5.50%	99.9375	5.51%	06/20/38
	<u>\$ 42,094,874</u>					

	Princeton & Monroe/Summers		Bluefield		Upshur		Raleigh		Wyoming/Logan		North Carolina		Southside	
	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans
FDIC SEGMENT														
CONSTRUCTION, LAND DEV, VACANT LAND 1														
Commercial Loan/Real Estate Secured	\$ 97,500	1			\$ 73,902	1					\$ 82,610	1		
Commercial Loan/LOC/Real Estate Secured											\$ 515,635	2		
Land Development/Residential Real Estate							\$ 301,257	1						
Commercial Construction	\$ 5,819,000	1												
Commercial Loan/Residential Construction/Spec	\$ 50,000	1												
Letter of Credit/Real Estate Secured	\$ 571,839	4	\$ 283,750	1	\$ 87,138	2			\$ 8,737	1	\$ 578,762	3		
Consumer Loan/Residential Real Estate Secured	\$ 6,535,339	7	\$ 283,750	1	\$ 161,040	3	\$ 301,257	1	\$ 8,737	1	\$ 1,806,481	8	\$ -	0
FARMLAND 2														
Commercial Loan/Farmland	\$ 1,102,387	5			\$ 158,427	3					\$ 281,868	4		
Consumer Loan/Farmland	\$ 137,665	2			\$ 156,448	3					\$ 287,550	1		
	\$ 1,240,052	7	\$ -	0	\$ 314,875	6	\$ -	0	\$ -	0	\$ 549,418	5	\$ -	0
HELOC 3														
HELOC	\$ 364,484	8	\$ 720,083	6	\$ 789,000	7	\$ 126,500	4			\$ 630,849	8		
RESIDENTIAL REAL ESTATE 4, 5														
Commercial Loan/Residential Real Estate Secured/Rental	\$ 710,916	9	\$ 111,243	2	\$ 131,856	3	\$ 402,500	2			\$ 745,820	11		
Commercial Loan/Residential Real Estate Secured/Owner Occp	\$ 131,468	2			\$ 476,535	4	\$ 280,131	1			\$ 250,000	1		
Consumer Loan/Residential Real Estate Secured	\$ 2,229,674	19	\$ 529,352	12	\$ 1,445,055	25	\$ 230,921	3	\$ 806,547	13	\$ 3,984,633	8		
	\$ 3,068,058	30	\$ 640,635	14	\$ 1,993,446	32	\$ 923,552	6	\$ 806,547	13	\$ 4,980,553	20	\$ -	0
MULTI FAMILY REAL ESTATE 6														
Commercial Loan/Mult Family	\$ 212,269	1	\$ 212,269	1	\$ 50,210	1								
COMMERCIAL REAL ESTATE 7														
Commercial Real Estate Secured	\$ 10,256,380	15	\$ 229,204	3	\$ 585,605	6	\$ 1,503,179	6			\$ 3,279,068	8		
AGRICULTURAL 15														
Agricultural	\$ 25,000	1			\$ 43,603	2					\$ 54,331	2		
COMMERCIAL/INDUSTRIAL NON RE 12, 14, 16														
Non Real Estate Secured	\$ 1,886,294	40	\$ 3,244,551	8	\$ 1,021,154	8	\$ 1,710,089	12	\$ 110,000	2	\$ 804,335	20		
CONSUMER & ODH 17-25														
Unsecured	\$ 212,052	40	\$ 168,105	32	\$ 71,544	19	\$ 26,800	5	\$ 94,989	25	\$ 215,422	30	\$ 13,459	5
Cash Secured, Stock	\$ 605,770	51	\$ 1,017,748	51	\$ 106,560	14	\$ 269,905	21	\$ 487,902	32	\$ 148,069	15	\$ 15,199	3
Vehicle	\$ 424,126	49	\$ 237,589	22	\$ 209,583	19	\$ 66,632	6	\$ 236,560	19	\$ 259,343	22	\$ 25,302	3
Mobile Home (with/out RE)	\$ 69,188	4	\$ 17,085	2	\$ 23,108	2					\$ 15,264	1		
Recreational Vehicles	\$ 11,235	2	\$ 11,265	3	\$ 4,285	1			\$ 6,788	1	\$ 4,814	1	\$ 2,635	1
Life Insurance	\$ 36,976	28	\$ 40,780	26	\$ 1,969	3	\$ 2,925	4	\$ 5,464	9	\$ 6,116	6	\$ 1,922	3
ODH	\$ 1,359,327	174	\$ 1,522,372	136	\$ 417,049	58	\$ 414,362	37	\$ 842,003	86	\$ 648,028	75	\$ 64,577	15
	\$ 24,744,934	282	\$ 6,852,864	169	\$ 5,375,982	123	\$ 4,978,939	66	\$ 1,767,287	102	\$ 12,753,063	146	\$ 64,577	15
GRAND TOTALS														

	Southwest Virginia		Taylor		Nicholas		Richmond		East Tennessee		South Carolina		Totals	
	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans
FDC SEGMENT														
CONSTRUCTION, LAND DEV, VACANT LAND 1														
Commercial Loan/Real Estate Secured	\$ 15,625	1					\$ 195,550	3					\$ 485,137	7
Commercial Loan/LOC/Real Estate Secured							\$ 450,000	1					\$ 515,835	2
Land Development/Residential Real Estate													\$ 480,000	1
Commercial Construction													\$ 6,117,257	2
Commercial Loan/Residential Construction/Spec													\$ 864,569	4
Letter of Credit/Real Estate Secured	\$ 420,000	2			\$ 250,000	1	\$ 206,250	1	\$ 22,750	1			\$ 50,000	1
Consumer Loan/Residential Real Estate Secured	\$ 435,625	3	\$ -	0	\$ 250,000	1	\$ 1,119,115	7	\$ 22,750	1	\$ -	0	\$ 2,431,246	16
													\$ 10,924,094	33
FARMLAND 2														
Commercial Loan/Farmland	\$ 86,209	1	\$ 101,182	1	\$ 10,352	1							\$ 1,552,662	12
Consumer Loan/Farmland	\$ 86,209	1	\$ 101,182	1	\$ 10,352	1	\$ -	0	\$ -	0	\$ -	0	\$ 749,406	9
													\$ 2,302,068	21
HELOC 3														
HELOC	\$ 370,000	6			\$ 156,000	3	\$ 1,774,250	9	\$ 443,900	5			\$ 5,375,066	56
RESIDENTIAL REAL ESTATE 4, 5														
Commercial Loan/Residential Real Estate Secured/Rental	\$ 44,000	1					\$ 1,979,663	9	\$ 85,711	1			\$ 4,214,829	38
Commercial Loan/Residential Real Estate Secured/Owner Occp	\$ 398,954	6	\$ 163,772	3	\$ 1,273,364	22	\$ 178,500	1	\$ 49,512	1	\$ 635,300	1	\$ 1,852,646	12
Consumer Loan/Residential Real Estate Secured	\$ 442,354	7	\$ 183,772	4	\$ 1,273,364	22	\$ 2,168,183	11	\$ 181,652	4	\$ 835,000	1	\$ 11,279,641	114
													\$ 17,297,116	164
MULTI FAMILY REAL ESTATE 6														
Commercial Loan/Multi Family			\$ 350,000	1									\$ 612,479	3
COMMERCIAL REAL ESTATE 7														
Commercial Real Estate Secured			\$ 350,000	2			\$ 727,862	2	\$ 286,000	2			\$ 17,217,318	44
AGRICULTURAL 15														
Agricultural	\$ 43,878	3			\$ 8,260	1			\$ 7,657	1			\$ 182,729	10
COMMERCIAL/INDUSTRIAL/NON RE 12, 14, 16														
Non Real Estate Secured	\$ 71,938	4	\$ 171,025	5	\$ 484,322	13	\$ 1,295,973	18	\$ 748,657	16	\$ 50,000	1	\$ 11,608,338	147
CONSUMER & ODH 17-25														
Unsecured	\$ 159,198	38	\$ 2,600	1	\$ 257,776	54	\$ 24,100	5	\$ 14,543	3			\$ 1,256,688	257
Cash Secured, Stock	\$ 1,035,037	30	\$ 56,060	9	\$ 208,544	18	\$ 44,000	1	\$ 44,000	1			\$ 3,974,794	245
Vehicle	\$ 279,424	33	\$ 12,918	3	\$ 138,000	21	\$ 22,382	2	\$ 19,376	1			\$ 1,950,575	200
Mobile Home (with/out RE)					\$ 34,349	2							\$ 158,974	11
Recreational Vehicles	\$ 38,811	3			\$ 11,492	2	\$ 3,669	1					\$ 124,814	15
Life Insurance	\$ 11,162	16	\$ 823	1	\$ 7,828	13	\$ 700	1	\$ 2,486	3			\$ 28,100	1
ODH	\$ 1,523,652	120	\$ 72,406	14	\$ 657,989	110	\$ 50,851	9	\$ 50,415	8	\$ -	0	\$ 159,186	113
GRAND TOTALS	\$ 2,973,656	144	\$ 878,385	26	\$ 3,190,287	152	\$ 7,136,254	56	\$ 1,741,031	37	\$ 685,000	2	\$ 73,142,259	1320

First Community Bank, N. A.
Renewed Loans
November 21, 2008 - February 18, 2009

	Priceton & Monroe/Summers		Bluefield		Upshur		Raleigh		Wyoming/Logan		North Carolina		Southside	
	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans
FDIC SEGMENT														
CONSTRUCTION, LAND DEV, VACANT LAND 1														
Commercial Loan/Real Estate Secured	\$ 2,500,000	1	\$ 76,810	1	\$ 20,568	1					\$ 288,695	1		
Commercial Loan/LOC/Real Estate Secured											\$ 4,000,000	1		
Land Development/Residential Real Estate	\$ 40,438	1	\$ 76,810	1	\$ 18,592	1			\$ 20,995	1	\$ 291,120	1		
Commercial Loan/Residential Construction/Spec	\$ 2,540,438	2	\$ 76,810	1	\$ 40,160	2			\$ 20,995	1	\$ 4,559,815	3		0
Consumer Loan/Residential Real Estate Secured														
FARMLAND 2														
Commercial Loan/Farmland	\$ 246,448	1									\$ 563,250	2		
HELOC 3														
HELOC	\$ 125,000	1									\$ 175,000	2		
RESIDENTIAL REAL ESTATE 4, 5														
Commercial Loan/Residential Real Estate Secured/Rental														
Commercial Loan/Residential Real Estate Secured/Owner Occup	\$ 328,755	7	\$ 36,023	1	\$ 516,500	12			\$ 62,308	1	\$ 422,338	7		
Consumer Loan/Residential Real Estate Secured	\$ 328,755	7	\$ 36,023	1	\$ 516,500	12			\$ 62,308	1	\$ 884,388	8		0
MULTI FAMILY REAL ESTATE 6														
Commercial Loan/Multi Family											\$ 1,482,600	2		
COMMERCIAL REAL ESTATE 7														
Commercial Real Estate Secured	\$ 180,000	1	\$ 300,000	1	\$ 1,500,000	1	\$ 876,391	1			\$ 362,302	4		
AGRICULTURAL 15														
Agricultural											\$ 125,000	2		
COMMERCIAL/INDUSTRIAL/NON RE 12, 14, 16														
Non Real Estate Secured	\$ 1,295,000	8	\$ 260,000	3	\$ 490,300	6	\$ 275,000	3			\$ 1,868,080	12	\$ 100,000	1
Church	\$ 1,295,000	8	\$ 260,000	3	\$ 490,300	6	\$ 275,000	3	\$ -	0	\$ 1,868,080	12	\$ 100,000	1
CONSUMER & ODH 17-24														
Class: Secured, Stock	\$ 34,554	1			\$ 48,954	2					\$ 10,050	1		
Mobile Home (with/out RE)	\$ 34,554	1	\$ -	0	\$ 48,954	2	\$ -	0	\$ -	0	\$ 10,050	1	\$ -	0
GRAND TOTALS	\$ 4,730,195	21	\$ 672,833	6	\$ 2,595,914	23	\$ 1,151,391	4	\$ 83,303	2	\$ 10,030,485	36	\$ 100,000	1

First Community Bank, N. A.
Renewed Loans
November 21, 2008 - February 18, 2009

	Southwest Virginia		Taylor		Nicholas		Richmond		East Tennessee		South Carolina		Totals	
	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans	New Loan Amount	Number of Loans
FDIC SEGMENT														
CONSTRUCTION, LAND DEV, VACANT LAND 1														
Commercial Loan/Real Estate Secured							\$ 35,000	1	\$ 23,379	1			\$ 403,584	4
Commercial Loan/LOC/Real Estate Secured													\$ 6,520,568	3
Land Development/Residential Real Estate							\$ 764,000	1					\$ 764,000	1
Commercial Loan/Residential Construction/Spec													\$ 291,120	1
Consumer Loan/Residential Real Estate Secured	\$ -	0	\$ -	0	\$ 23,741	1	\$ 799,000	2	\$ 23,379	1	\$ -	0	\$ 104,766	4
													\$ 8,084,338	13
FARMLAND 2														
Commercial Loan/Farmland									\$ 30,000	1			\$ 839,698	4
HELOC 3	\$ 50,000	1					\$ 339,000	3					\$ 689,000	7
RESIDENTIAL REAL ESTATE 4, 5														
Commercial Loan/Residential Real Estate Secured/Rental													\$ 462,050	1
Commercial Loan/Residential Real Estate Secured/Owner Occup	\$ 85,000	2	\$ 287,088	2	\$ 274,577	5	\$ 75,228	1					\$ 75,228	1
Consumer Loan/Residential Real Estate Secured	\$ 85,000	2	\$ 287,088	2	\$ 274,577	5	\$ 75,228	1	\$ -	0	\$ -	0	\$ 2,012,589	37
													\$ 2,549,867	39
MULTI FAMILY REAL ESTATE 6														
Commercial Loan/Multi Family	\$ 125,586	1											\$ 1,608,166	3
COMMERCIAL REAL ESTATE 7														
Commercial Real Estate Secured							\$ 244,242	1	\$ 4,971	1			\$ 3,447,906	10
AGRICULTURAL 15													\$ 125,000	2
COMMERCIAL/INDUSTRIAL/NON RE 12, 14, 16														
Non Real Estate Secured	\$ 100,000	1			\$ 50,000	1	\$ 29,431	2	\$ 104,799	4			\$ 4,472,610	40
Church	\$ 100,000	1	\$ -	0	\$ 50,000	1	\$ 29,431	2	\$ 104,799	4	\$ -	0	\$ 100,000	1
													\$ 4,572,610	41
CONSUMER & ODH 17-24														
Cash Secured, Stock													\$ 10,050	1
Mobile Home (with/out RE)	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ 83,508	3
													\$ 93,558	4
GRAND TOTALS	\$ 360,586	5	\$ 287,088	2	\$ 348,318	7	\$ 1,486,901	9	\$ 163,149	7	\$ -	0	\$ 22,010,163	123

PIPELINE REPORT

Pipeline Report for Credit Administration as of February 20, 2009

	Amount	Number	Average Loan
New Loans	\$ 22,557,000	9	\$ 2,506,333
Renewed Loans	\$ 3,485,394	8	\$ 435,674
Total	\$ 26,042,394	17	\$ 1,531,906

Pipeline Report for Small Business Lending as of February 20, 2009

	Amount	Number	Average Loan
New Loans	\$ 16,550,119	133	\$ 124,437
Renewed Loans	\$ 47,451,880	274	\$ 173,182
Total	\$ 64,001,999	407	\$ 157,253

Pipeline Report for Retail Lending as of February 19, 2009

	Amount	Number	Average Loan
Pending Approvals	\$ 2,878,007	34	\$ 84,647
Purchase/Construction	\$ 3,022,393	33	\$ 91,588
Approved-Pending Closing	\$ 8,029,458	101	\$ 79,500
New Money	\$ 5,021,038		
Total	\$ 13,929,858	168	\$ 82,916

TOTAL OF ALL PIPELINE REPORTS

	Amount	Number	Average Loan
New Loans	\$ 44,128,157		
Renewed Loans	\$ 59,846,094		
Total	\$ 103,974,251	592	\$ 590,691