



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**American National Bank and Trust Company
Charter Number: 9343**

**628 Main Street
Danville, VA 24541**

Office of the Comptroller of the Currency

**Virginia Field Office
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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 rated **Satisfactory**.

The following table indicates the performance level of **American National Bank and Trust Company (ANB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	American National Bank and Trust Company 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 Test

- Exhibited excellent responsiveness to credit needs in its assessment areas (AAs), taking into account the number and amount of home mortgage, small business and small farm in its AAs.
- A substantial majority of ANB's loans are made in their AAs.
- A good geographic distribution of loans in its AAs.
- An adequate distribution of loans among individuals of different income levels.
- A good distribution of loans among businesses of different sizes, given the product lines offered by the bank.

Investment Test

- ANB has an excellent level of qualified investments in their AAs.
- ANB investments exhibit excellent responsiveness to credit and community development needs.

Service Test

- ANB's service delivery systems are accessible to geographies and individuals of different income levels in its AAs.
- To the extent changes were made, ANB's opening and closing branches did not adversely affect the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- ANB's services do not vary in a way that inconveniences its AAs, particularly low- and moderate-income geographies and low- and moderate-income individuals.
- ANB provided a relatively high level of community development services in its AAs.

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 ANB 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 ANB, and to take this record into account when evaluating certain corporate applications filed by ANB.

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

American National Bank & Trust Company (ANB) is an interstate bank headquartered in Danville, Virginia with operations in Virginia and North Carolina. ANB is wholly owned by American National Bankshares, Inc. (ANBI). ANBI is a \$573 million bank holding company, listed on the NASDAQ national market under the symbol "AMNB." The holding company is also headquartered in Danville, Virginia.

ANB is a full service community bank serving the cities of Danville and Martinsville, the town of South Boston, the counties of Pittsylvania, Henry and Halifax in Virginia, and the town of Yanceyville, and Caswell County in North Carolina. ANB operates thirteen full service offices and fourteen automated teller machines. New branch offices were opened in the town of Chatham in Pittsylvania County and the City of Martinsville, Virginia in 1999. ANB established the Halifax AA in the last quarter of 2000 with the opening of the South Boston office. There were no changes in the North Carolina AA during the evaluation period.

Established in 1909, ANB has total assets of \$572 million as of December 31, 2001. Business lending, including commercial real estate, is a major product, followed by residential real estate and consumer loans. At December 31, 2001, net loans were \$370 million, which equaled 65% of total assets. Net loans were distributed as follows; 36% secured by residential real estate, 26% commercial and industrial loans, 21% non-farm non-residential real estate loans, 11% to individuals, 3% construction and development loans, 2% municipals and 1% to others. Tier 1 capital was \$61 million. Tier 1 risk-based capital to risk weighted assets equaled 14.04%. Tier 1 leverage capital equaled 10.75%.

ANB has two operating subsidiaries. ANB Mortgage is wholly owned by ANB. They provide fixed rate mortgage loans to homeowners through a variety of governmental, conventional and private programs. ANB Services Corp. is another wholly owned subsidiary that offers non-deposit investment products such as mutual funds, annuities, and life insurance. ANB Service Corp. does business as ANB Investor Services. The activities of ANB Mortgage are included in this evaluation.

There are no legal, financial or other factors impeding ANB's ability to help meet the credit needs in its AA.

ANB received a "Satisfactory" rating in its January 1999 CRA Performance evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses ANB's performance under the Lending, Investment, and Service Tests. The evaluation under the Lending Test covered ANB's performance from January 1, 1998 through December 31, 2001, excluding community development loans. We reviewed small loans to businesses and farms and residential mortgage loans subject to filing under HMDA. The evaluation period for community development loans, the Investment Test, and the Service Test was January 4, 1999 to May 6, 2002. ANB originated no community development loans during the evaluation period.

Data Integrity

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

We found no significant errors in the HMDA data. We found significant errors in the small loans to businesses and farms loan data. As a result, management was required to review and correct the data. During March 2002, we evaluated ANB's corrected data and found it to be reliable. This evaluation is based on accurate data.

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

Selection of Areas for Full-Scope Review

In each state where ANB has an office, a sample of AAs within that state was selected for full-scope reviews. The areas selected are representative of the types of areas in which ANB operates within North Carolina and Virginia. Refer to the "Scope" sections under the individual State Ratings for details regarding how the areas were selected and why they are representative.

Ratings

ANB's overall rating is a blend of the Virginia and North Carolina State ratings. The Virginia rating was given the most weight because the majority of ANB's deposits and loans originated during the evaluation period are located there.

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

Fair Lending Review

An analysis of the most recent years public comments and consumer complaint information, HMDA, small business and small farm 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 January 1998.

State Rating

CRA Rating for Virginia:	High Satisfactory
The lending test is rated:	<u>High Satisfactory</u>
The investment test is rated:	<u>Outstanding</u>
The service test is rated:	<u>High Satisfactory</u>

Lending Test

- Exhibited excellent responsiveness to credit needs in its assessment areas (AAs), taking into account the number and amount of home mortgage, small business and small farm in its assessment areas.
- A substantial majority of ANB's loans are made in their AAs.
- A good geographic distribution of loans in its AAs.
- An adequate distribution of loans among individuals of different income levels.
- A good distribution of loans among businesses of different sizes, given the product lines offered by the bank.

Investment Test

- ANB has an excellent level of qualified investments in the Danville, VA MSA 1950 AA and a broader statewide area that includes the AA.
- ANB investments exhibit excellent responsiveness to credit and community development needs.

Service Test

- ANB's service delivery systems are accessible to geographies and individuals of different income levels in its AA.
- To the extent changes were made, ANB's opening and closing branches did not adversely affect the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- ANB's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and low- and moderate-income individuals.
- ANB provided a relatively high level of community development services in the Danville, VA MSA 1950 AA during the evaluation period.

Description of Institution's Operations in Virginia

ANB operates nine bank branches in the city of Danville and Pittsylvania County. Danville City and Pittsylvania County make up the Danville, VA MSA 1950. ANB operates nine ATMs, two of which are remote. As of June 30, 2001, ANB had deposits of \$424 million in Virginia, which represented less than a 1% deposit market share in the state. ANB ranked 29th out of 187 financial institutions operating in the state of Virginia. ANB's primary competitors in its AA are Peoples National Bank, First Citizen's Bank and Trust Company, Bank of America, N.A., and Virginia Bank and Trust Company.

Approximately 95% of ANB's total deposits and 95% of their residential real estate loans and small loans to businesses and farms originated during this evaluation period are located in the state of Virginia.

Refer to the market profiles for the state of Virginia in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

Scope of Evaluation in Virginia

The Danville, VA MSA 1950 AA received a full-scope evaluation. Refer to the table in Appendix A for more information. The ratings for the state of Virginia are based on the results of the single area receiving a full-scope review.

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered ANB's business strategy, the volume of originations, and community credit needs identified through discussions with community contacts. Overall, residential real estate loans, small loans to businesses and small loans to farms were considered ANB's primary products. Small loans to businesses received the most weight because FNB made 29% more loans to business than HMDA loan types combined. Small loans to farms received the least weight based on the volume of loans made during the evaluation period. Equal weight was placed on each of the HMDA products.

LENDING TEST

Conclusions for Area Receiving a Full-Scope Review

ANB's performance under the lending test in Virginia is rated **High Satisfactory**. Based on a full-scope review, ANB's performance in the Danville, VA MSA 1950 is excellent.

Lending Activity

Refer to Table 1 Lending Volume in the state of Virginia section of Appendix D for the facts and data used to evaluate ANB's lending activity.

ANB exhibited excellent responsiveness to credit needs in its AA, taking into account the number and amount of home mortgage, small business and small farm loans in its AA. At June 30, 2001, ANB ranked first with a 28% market share of deposits among 11 financial institutions in the AA.

Relative to deposit market share and rank, ANB HMDA lending levels were excellent. ANB ranked first among 156 HMDA reporters in the Danville, VA MSA 1950 during 2000 with an 11% overall market share of home mortgage loans. By loan type, ANB ranked second with a 10% market share of home purchase loans, first with a 40% market share of home improvement loans and first with an 8% market share of refinance loans.

Relative to deposit market share and rank, ANB CRA lending levels were excellent. ANB ranked first among 37 CRA reporters with a 25% market share in loans to businesses. ANB ranked first among 37 CRA reporters with a 45% market share of loans to businesses with less than \$1 million annual revenues. ANB ranked first among six CRA reporters with a 69% market share in loans to farms. ANB ranked first with an 80% share of loans to farms with less than \$1 million annual revenues.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans in the Danville, VA MSA 1950 AA receiving a full-scope review was good. The geographic distribution of HMDA loans was good. The geographic distribution of small loans to businesses was good. The geographic distribution of small loans to farms was poor. There were no unexplained conspicuous gaps in ANB's lending patterns throughout its AA. A substantial majority of its loans were made in their AAs.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of ANB's home mortgage loan originations/purchases.

Home Purchase Loans

The geographic distribution of *home purchase loans* in the AA was good. ANB made no home purchase loans in low-income geographies. However, ANB's opportunity to lend for home purchase purposes is severely limited in the AA. Only 106, or 0.23% of owner occupied housing units are located in the low-income geography. The percent of home purchase loans in moderate-income geographies was somewhat lower than the percent of owner-occupied units in moderate-income geographies. ANB's market share of loans in moderate-income geographies exceeded their overall market share of loans.

Home Improvement Loans

The geographic distribution of *home improvement loans* in the AA was good when the factors mentioned above are taken into consideration. ANB's percentage of home improvement loans in low-income geographies exceeded the percentage of owner-occupied units in low-income geographies. ANB's percentage of home improvement loans in moderate-income geographies was near to the percentage of owner-occupied units in moderate-income geographies. ANB's market share of loans in low-income geographies was somewhat lower than their overall market share of loans. ANB's market share of loans in moderate-income geographies exceeded their overall market share of loans.

Refinance Loans

The geographic distribution of *refinance loans* in the AA was adequate when the factors mentioned above are taken into consideration. ANB's percentage of refinance loans in low-income geographies exceeded the percentage of owner-occupied units in low-income geographies. The percent of refinance loans in moderate-income geographies was lower than the percent of owner-occupied units in moderate-income geographies. ANB made no loans in low-income geographies in 2000 and so had no market share of refinance loans. ANB's market share of refinance loans in moderate-income geographies was somewhat lower than ANB's overall market share of loans.

Multi-family Loans

Multi-family loans were not reviewed. ANB made too few multi-family loans to make an analysis of the geographic distribution meaningful.

Small Loans to Businesses

Refer to Table 6 in the state of Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of ANB's origination/purchase of small loans to businesses.

The geographic distribution of *small loans to businesses* in the Danville, VA MSA 1950 AA was good. The percent of small loans to businesses in low-income geographies was somewhat lower than the percent of businesses located in low-income geographies. The percent of small loans to businesses in moderate-income geographies was near to the percent of businesses located in moderate-income geographies. ANB's market share of loans in low-income geographies exceeded their overall market share of loans. ANB's market share of loans in moderate-income geographies exceeded their overall market share of loans.

Small Loans to Farms

Refer to Table 7 in the state of Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of ANB's origination/purchase of small loans to farms.

The geographic distribution of *small loans to farms* in the Danville, VA MSA 1950 AA was considered poor. ANB made no small loans to farms in low-income geographies. However, only two farms are located in low-income geographies, severely limiting opportunities to lend to farms in low-income geographies. The percent of small loans to farms in moderate-income geographies was lower than the percent of businesses located in moderate-income geographies. ANB made no loans to small farms in 2000 and so had no market share of loans to farms.

Lending Gap Analysis

We evaluated the lending distribution in this AA 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 substantial majority of ANB's loan originations were in their AAs. Overall, 91% of ANB's loan originations were within their AAs. By loan product, 92% of HMDA loans, 91% of small loans to businesses, and 88% of small loans to farms were inside ANB'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 distribution of loans by borrower income level in the AA was good. The distribution of HMDA loans by borrower income level was adequate. The distribution of small loans to businesses was good. The distribution of small loans to farms was excellent. A majority of small loans to businesses were for amounts less than \$100 thousand. A substantial majority of small loans to farms were for amounts less than \$100 thousand.

We considered the following factors in evaluating ANB's performance in lending to low-income borrowers. Over 16% of all families and 56% of low-income families in the AA live below poverty. In considering loans by borrower income level for businesses and farms, we excluded loans that had no gross annual revenue information and compared the percent of loans with gross annual revenue information to the percent of small businesses and small farms in the geography. ANB had a significant number of loans with no gross annual revenue information.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Virginia section of Appendix D for the facts and data used to evaluate the borrower distribution of ANB's home mortgage loan originations and purchases.

Home Purchase Loans

The distribution of *home purchase loans* by income level of the borrower in the AA was adequate, when considering the factors above. ANB's percent of home purchase loans to low-income borrowers was significantly lower than the percent of low-income families in the AA. ANB's percent of home purchase loans to moderate-income borrowers exceeded the percent of moderate-income families in the AA. ANB's market share of loans to low-income borrowers was somewhat lower than their overall market share of

loans. ANB's market share of loans to moderate-income borrowers was somewhat lower than their overall market share of loans.

Home Improvement Loans

ANB's distribution of *home improvement loans* by borrower income level in the AA was good, when considering the factors discussed above. ANB's percent of home improvement loans to low-income borrowers was somewhat lower than the percent of low-income families in the AA. The percent of home improvement loans to moderate-income borrowers exceeded the percent of moderate-income families in the AA. ANB's market share of loans to low-income borrowers was somewhat lower than their overall market share of loans. ANB's market share of loans to moderate-income borrowers was near to their overall market share of loans.

Refinance Loans

The distribution of *refinance loans* by borrower income level in the AA was adequate, when considering the factors discussed above. ANB's percent of refinance loans to low-income borrowers was significantly lower than the percent of low-income families residing in the AA. ANB's percent of refinance loans to moderate-income borrowers was near to the percent of moderate-income families residing throughout the AA. ANB's market share of loans to low-income borrowers was somewhat lower than their overall market share of loans. ANB's market share of loans to moderate-income borrowers was significantly lower than their overall market share of loans.

Small Loans to Businesses

Refer to Table 11 in the state of Virginia section of Appendix D for the facts and data used to evaluate the borrower distribution of ANB's origination and purchase of small loans to businesses.

The distribution of *small loans to businesses* in the AA was good. ANB's percentage of small loans to small businesses (businesses with annual revenues \$1 million or less) was somewhat lower than the percentage of small businesses in the AA. The majority of ANB's small loans to businesses were for amounts less than \$100 thousand. ANB's market share of small loans to small businesses exceeded their overall market share of small loans to all businesses.

Small Loans to Farms

Refer to Table 12 in the state of Virginia section of Appendix D for the facts and data used to evaluate the borrower distribution of ANB's origination/purchase of small loans to businesses.

The distribution of *small loans to farms* in the AA was excellent. ANB's percentage of small loans to small farms (farms with annual revenues \$1 million or less) was near to the percentage of small farms in the AA. A substantial majority of ANB's small loans to

farms were for amounts less than \$100 thousand. ANB's market share of small loans to small farms exceeded their overall market share of small loans to all farms.

Community Development Lending

ANB originated no community development loans during the evaluation period. This had a neutral impact on lending performance because opportunities to lend for community development purposes were limited.

Product Innovation and Flexibility

ANB did not make use of innovative or complex lending practices to meet community credit needs during the evaluation period. This had a neutral impact on lending performance.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, ANB's performance under the lending test in the Halifax and Martinsville AAs is not inconsistent with ANB's overall High Satisfactory performance under the lending test in the Danville, VA MSA 1950.

INVESTMENT TEST

Conclusions for Area Receiving a Full-Scope Review

ANB's performance under the investment test in Virginia is rated **Outstanding**. Based on a full-scope review, ANB's performance in the Danville, VA MSA 1950 AA is excellent.

Refer to Table 14 in the state of Virginia section of Appendix D for the facts and data used to evaluate ANB's level of qualified investments.

ANB has an excellent level of qualified investments in the Danville, VA MSA 1950 AA and a broader area that included the AA. ANB showed excellent responsiveness to credit and community development needs. Refer to the Market Profile section for details on needs and opportunities.

ANB made \$3.2 million in qualified investments during the evaluation period and retained \$1.8 million from a prior period. Total investments were equal to 8% of Tier 1 capital.

Of the total amount invested during the evaluation period and attributed to the Danville, VA MSA 1950, \$3.2 million went to purchase six bonds issued by the Virginia Housing Development Authority (VHDA). These bonds support low- and moderate-income housing development throughout the state of Virginia including the AA. Total state-wide investments made during the evaluation and attributed to the Danville, VA MSA 1950 equaled 5% of Tier 1 capital.

Also during the evaluation period, ANB made 40 contributions totaling \$30 thousand to community development organizations that provide direct support for services and activities that impact low- and moderate-income geographies and low- and moderate-income individuals in the AA. Investments in the AA made during the evaluation period were equal to less than 1% of Tier 1 capital but represented 84% of the total number of investments.

ANB retained six investments totaling \$1.2 million from a prior period. Five of these investments support affordable housing for low- and moderate-income individuals in the AA. One prior period investment supports small business development in the AA. ANB retained three prior period investments totaling \$588 thousand that support affordable housing throughout the state of Virginia including the Danville, VA MSA 1950 AA. Prior period investments equaled 3% of Tier 1 capital.

ANB made investments that support needs identified and discussed in the profile found in Appendix C for the Danville, VA MSA 1950 AA.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, ANB's performance under the investment test in the Martinsville and Halifax AA is weaker than ANB's overall performance in the state. This did not adversely affect the state rating because opportunities in both non-MSA AAs were limited. Refer to the Table 14 in the state of Virginia section of Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Area Receiving a Full-Scope Review

ANB's performance under the service test in Virginia is rated **High Satisfactory**. Based on a full-scope review, ANB's performance in the Danville, VA MSA 1950 MSA AA is good.

Retail Banking Services

Refer to Table 15 in the state of Virginia section of Appendix D for the facts and data used to evaluate the distribution of ANB's branch delivery system and branch openings and closings.

ANB's service delivery systems are accessible to geographies and individuals of different income levels in its AA. The percent of branches located in low-income geographies exceeds the percent of population in low-income geographies. The percent of branches in moderate-income geographies is near to the percentage of population in moderate-income geographies.

To the extent changes were made, ANB's opening and closing branches did not adversely affect the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. ANB closed one branch in an upper-income geography and opened one branch in a middle-income geography during the evaluation period.

ANB's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and low- and moderate-income individuals. ANB offers transaction services at all branches in the AA. Loans are not available at two branches; one located in a middle-income geography and the other in a moderate-income geography. Both branches are within two miles of other ANB branches. ANB offers a full range of services, including mortgage loans, trust, and investments at the branch located in a low-income geography.

Community Development Services

ANB provided a relatively high level of community development services in the Danville, VA MSA 1950 AA during the evaluation period. Officers and staff contributed services to 14 community development organizations in the AA during the evaluation period. These included service on boards of directors and committees for organizations that develop affordable housing and provide community services for low- and moderate-income individuals and geographies.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, ANB's performance under the service test in the Martinsville and Halifax AAs is not inconsistent with ANB's overall **High Satisfactory** performance under the service test in Virginia. Refer to Table 15 in the state of Virginia section of Appendix D for the facts and data that support these conclusions.

State Rating

CRA Rating for North Carolina: **Satisfactory**
The lending test is rated: Outstanding
The investment test is rated: Low Satisfactory
The service test is rated: Low Satisfactory

The major factors that support this rating include:

Lending Test

- Excellent responsiveness to meeting the credit needs of the AA.
- A substantial majority of ANB's loan originations were in their AA.
- An excellent distribution of loans by income level in the AA.

Investment Test

- ANB has an adequate level of qualified investments in the Yanceyville AA.

Service Test

- ANB's service delivery systems are reasonably accessible to individuals of different income levels in its AA.
- ANB's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income individuals.
- ANB provided an adequate level of community development services in the Yanceyville AA during the evaluation period.

Description of Institution's Operations in North Carolina

ANB operates one bank branch in Yanceyville, North Carolina. As of June 30, 2001, ANB had deposits of \$20 million in the state of North Carolina, which represented less than a 1% market share of all deposits in the state. ANB ranked 119th out of 141 financial institutions doing business in North Carolina. ANB's only competitor in its AA is Fidelity Bank. Approximately 5% of ANB's total deposits and 5% of combined residential real estate loans and small loans to businesses and farms originated during the evaluation period were located in North Carolina.

Refer to the market profiles for the state of North Carolina in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

Scope of Evaluation in North Carolina

The Yanceyville AA received a full-scope evaluation. Refer to the table in Appendix A for more information. The rating for the state of North Carolina is based on the results of the single area receiving a full-scope review.

In evaluating performance under the Lending Test and determining how each loan type would be weighted, we considered ANB's business strategy, the volume of originations, and community credit needs identified through discussions with community contacts. Overall, residential real estate loans and small loans to businesses were weighted equally. Small farm loans received less weight because of the number of loans originated during the evaluation period. All three HMDA products were weighted equally.

LENDING TEST

Conclusions for Area Receiving a Full-Scope Review

ANB's performance under the lending test in North Carolina is rated **Outstanding**. Based on a full-scope review, ANB's performance in the Yanceyville AA is excellent.

Lending Activity

Refer to Table 1 Lending Volume in the state of North Carolina section of Appendix D for the facts and data used to evaluate ANB's lending activity.

Overall lending levels reflect excellent responsiveness to meeting the credit needs of the Yanceyville AA. Relative to deposit market rank, ANB's small business lending levels are excellent. At June 30, 2001 ANB ranked second out of two institutions in deposits in the Yanceyville AA with a 42% market share. ANB ranked first among 81 HMDA reporters with an overall market share in HMDA loans of 8%. ANB ranked second among 23 CRA reporters with an overall market share in loans to small businesses of 13%. ANB ranked first among three CRA reporters with an overall market share in loans to small farms of 88%.

Distribution of Loans by Income Level of the Geography

There are no low- or moderate-income tracts in the Yanceyville AA. An analysis of the geographic distribution of loans would not be meaningful.

Lending Gap Analysis

We evaluated the lending distribution of this AA 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 lending performance.

Inside/Outside Ratio

A substantial majority of ANB's loan originations were in their AAs. Overall, 91% of ANB's loan originations were within their AAs. By loan product, 92% of HMDA loans,

91% of small loans to businesses, and 88% of small loans to farms were inside ANB'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 distribution of loans by income level in the Yanceyville AA is excellent. The distribution of HMDA loans by borrower income level is good. The distribution of small loans to businesses is excellent. The distribution of small loans to farms is excellent. A substantial majority of small loans to business were for amounts less than \$100 thousand. A substantial majority of small loans to farms were for amounts less than \$100 thousand.

We considered the following factors in evaluating ANB's performance in lending to low-income borrowers. Over 16% of all families and 68% of low-income families in the AA live below poverty. In considering loans by borrower income level for businesses and farms, we excluded loans that had no gross annual revenue information and compared the percent of loans with gross annual revenue information to the percent of small businesses and small farms in the geography. ANB had a significant number of loans with no gross annual revenue information.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the borrower distribution of ANB's home mortgage loan originations and purchases.

Home Purchase Loans

The distribution of *home purchase loans* by income level of the borrower in the Yanceyville AA was excellent. ANB's percent of home purchase loans to low-income borrowers was somewhat lower than the percent of low-income families in the AA. The percent of home purchase loans to moderate-income borrowers exceeded the percent of moderate-income families in the AA. ANB's market share of loans to low-income borrowers exceeded their overall market share of loans. ANB's market share of loans to moderate-income borrowers was somewhat lower than their overall market share of loans.

Home Improvement Loans

ANB's distribution of *home improvement loans* by borrower income level in the AA was good. ANB's percent of home improvement loans to low-income borrowers was lower than the percent of low-income families in the AA. The percent of home improvement loans to moderate-income borrowers exceeded the percent of moderate-income families in the AA. ANB's had zero market share of loans to low-income borrowers. ANB's market share of loans to moderate-income borrowers was near to their overall market share of loans.

Refinance Loans

The distribution of *refinance loans* by borrower income level in the Yanceyville AA was good. ANB's percent of refinance loans to low-income borrowers was significantly lower than the percent of low-income families residing in the AA. ANB's percent of refinance loans to moderate-income borrowers exceeded the percent of moderate-income families residing in the AA. ANB's market share of loans to low-income borrowers exceeded their overall market share of loans. ANB's market share of loans to moderate-income borrowers was somewhat lower than their overall market share of loans.

Small Loans to Businesses

Refer to Table 11 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the borrower distribution of ANB's origination and purchase of small loans to businesses.

The distribution of *small loans to businesses* in the AA was excellent. ANB's percentage of small loans to small businesses (businesses with annual revenues \$1 million or less) was near to the percentage of small businesses in the AA. A substantial majority of ANB's small loans to businesses were for amounts less than \$100 thousand. ANB's market share of small loans to small businesses exceeded their overall market share of small loans to all businesses.

Small Loans to Farms

Refer to Table 12 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the borrower distribution of ANB's origination/purchase of small loans to businesses.

The distribution of *small loans to farms* in the AA was excellent. ANB's percentage of small loans to small farms (farms with annual revenues \$1 million or less) exceeded the percentage of small farms in the AA. A substantial majority of ANB's small loans to farms were for amounts less than \$100 thousand. ANB's market share of small loans to small farms was near to their overall market share of small loans to all farms.

Community Development Lending

ANB originated no community development loans during the evaluation period. This had a neutral impact on lending performance because opportunities to lend for community development purposes were very limited.

Product Innovation and Flexibility

ANB did not make use of innovative or complex lending practices to meet community credit needs during the evaluation period. This had a neutral impact on lending performance.

INVESTMENT TEST

Conclusions for Area Receiving a Full-Scope Review

ANB's performance under the investment test in North Carolina is rated **Low Satisfactory**. Based on a full-scope review, ANB's performance in the Yanceyville AA is adequate.

Refer to Table 14 in the state of North Carolina section of Appendix D for the facts and data used to evaluate ANB's level of qualified investments.

ANB has an adequate level of qualified investments in the Yanceyville AA considering the opportunities to invest in community development projects and organizations. ANB made one contribution of \$150 during the evaluation period to a community food bank that provided food and meals to low- and moderate-income individuals in the AA. There were no prior period investments. Total investments in the AA equal less than 1% of Tier 1 capital.

SERVICE TEST

Conclusions for Area Receiving a Full-Scope Review

ANB's performance under the service test in North Carolina is rated **Low Satisfactory**. Based on a full-scope review, ANB's performance in the Yanceyville AA is adequate.

Retail Banking Services

Refer to Table 15 in the state of North Carolina section of Appendix D for the facts and data used to evaluate the distribution of ANB's branch delivery system and branch openings and closings.

ANB did not open or close branches in the Yanceyville AA during the evaluation period.

ANB's service delivery systems are reasonably accessible to individuals of different income levels in its AA. The AA has no low- or moderate-income geographies. ANB has one branch in the AA that is located in a middle-income geography. Thirty-nine percent of low-income families and 39% of moderate-income families live in the geography where the ANB branch is located.

ANB's services do not vary in a way that inconveniences its AA, particularly low- and moderate-income individuals. The Yanceyville branch offers a full range of banking products and services, including mortgage loans, trust services, and investments.

Community Development Services

ANB provided an adequate level of community development services in the Yanceyville AA during the evaluation period. Of the six employees at the Yanceyville branch, one officer serves on the board of directors for a local economic and community development corporation, and one officer serves on the board of directors for an organization that sponsors the Head Start program and after-school care for children of low- and moderate-income families.

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): 1/1/1998 to 12/31/01 Investment and Service Tests and CD Loans: 4/4/1999 to 5/6/02	
Financial Institution	Products Reviewed	
American National Bank and Trust Company Danville, VA	Small loans to businesses and farms Residential mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
ANB Mortgage Corp. American National Bankshares	Subsidiary Holding Company	Residential Mortgage Loans Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
<u>Virginia</u> Danville, VA MSA 1950 Martinsville	Full-Scope Limited-Scope	Danville, VA MSA 1950 in its entirety Non-MSA, County of Henry and City of Martinsville in their entirety.
Halifax	Limited-Scope	Non-MSA, County of Halifax in its entirety.
<u>North Carolina</u> Yanceyville	Full-Scope	Non-MSA, Census Tracts 9901, 9902, 9903 and 9904 in Caswell Count, NC

Appendix B: Summary of State Ratings

RATINGS AMERICAN NATIONAL BANK AND TRUST COMPANY				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
AMERICAN NATIONAL BANK AND TRUST	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
VIRGINIA	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
NORTH CAROLINA	Outstanding	Low Satisfactory	Low Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

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State of Virginia

Danville, VA MSA 1950

Demographic Information for Full Scope Area: Danville, VA MSA #1950						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	39	5.13	17.95	46.15	7.69	23.08
Population by Geography	108,711	1.07	25.28	60.13	13.51	0.00
Owner-Occupied Housing by Geography	29,316	0.23	20.57	64.50	14.70	0.00
Business by Geography	3,628	8.13	15.74	61.44	14.42	0.28
Farms by Geography	238	0.84	9.66	81.93	7.56	0.00
Family Distribution by Income Level	30,871	21.77	17.22	21.74	39.27	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,035	1.20	34.12	56.04	8.64	0.00
Median Family Income		28,683	Median Housing Value		46,593	
HUD Adjusted Median Family Income for 2001		41,100	Unemployment Rate (1990 US Census)		3.24%	
Households Below Poverty Level		16.49%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census and 2001 HUD updated MFI.

The Danville, VA MSA 1950 AA includes the City of Danville and Pittsylvania County. Danville is located in south-central Pittsylvania County. Pittsylvania County is located in far southside Virginia along the North Carolina border. The area is convenient to several major markets. Raleigh-Durham, NC is 1.5 hours south, Roanoke, VA is 1.5 hours west, Lynchburg and Charlottesville, VA are 1 and 2 hours north respectively. Greensboro's international airport is 45 minutes south and Danville Municipal Airport offers daily flights. The city is bisected north-south by US 29, east-west by US 58 and encompassed by Pittsylvania County.

Danville consistently ranks as the most affordable housing market in the Commonwealth, according to the Virginia Commonwealth University's Real Estate Research Center. Additionally, the most recent edition of the Places Rated Almanac named Danville the 16th most affordable place to live in the United States with the 11th lowest housing costs.

Textiles and tobacco, both initially products of the local region's agriculture, were responsible for the early vigorous growth Danville experienced. As a result of increased automation in the textile industry and health issues regarding tobacco usage, employment in both industries has been greatly reduced. However, these industries remain the largest traditional manufacturers in the Danville area and manufacturing remains the largest employing industry in the area. The services and retail sectors are second and third.

Just over 1% of the area population reside in low-income geographies while 25% reside in moderate income geographies. Twenty-two percent of families are low-income. Seventeen percent of families are moderate-income. Over 16% percent of families live below poverty. The poverty level for the state of Virginia is 11%. The unemployment rate in the AA is 3.4%. The unemployment rate for the state of Virginia is 2.5%.

ANB operates nine branches in the AA. Seven branches are located in Danville and two in Pittsylvania County. As of June 30, 2001, 86% of ANB's total deposits were located inside the AA. Of all reporting FDIC-insured institutions in the AA, ANB was ranked first in market share with 28% of total deposits. There were 11 banking companies operating a total of 45 branches in the AA. ANB's primary competitor is Peoples National Bank, a large community bank. Others included two large national banks and several large regional banks. Additionally, there were 156 HMDA reporters attributed with loans in the AA during 2000 resulting in heavy levels of competition in the southside Virginia area.

ANB's primary business focus in this AA is lending to businesses. ANB also engages in residential real estate lending and lending to farms in the AA.

We reviewed the Consolidated HUD plan for the state of Virginia and one prior community contact to determine the community credit and development needs in the AA. We contacted three local small business and economic development organizations. Our review identified affordable housing loans offered either directly through banks or through nonprofit agencies as a credit need. Statements also indicated a need for infrastructure improvements in order to attract new businesses, but acknowledged local financial institutions were active in funding infrastructure projects. Additionally, loans for small businesses were identified as credit needs.

Since the prior CRA examination, ANB documented efforts to identify opportunities to invest in community development projects in the Yanceyville AA. Their investigation indicates there are statewide programs available but no programs that specifically benefit the Yanceyville AA. Our search indicates the organization to which ANB contributed is one of only two non-governmental community development organizations serving the AA. Based on our contacts and review, the level of available qualified investments in this AA is very limited. The area has few organizations that present opportunities for community development investments or services.

State of North Carolina

Yanceyville

Demographic Information for Full Scope Area: Yanceyville AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	4	0.00	0.00	100.00	0.00	0.00
Population by Geography	13,481	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	3,666	0.00	0.00	100.00	0.00	0.00
Business by Geography	257	0.00	0.00	100.00	0.00	0.00
Farms by Geography	47	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	3,797	22.02	16.14	25.10	36.74	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	1,449	0.00	0.00	100.00	0.00	0.00
Median Family Income		27,206	Median Housing Value		45,605	
HUD Adjusted Median Family Income for 2001		41,500	Unemployment Rate (1990 US Census)		2.31%	
Households Below Poverty Level		21.77%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census and 2001 HUD updated MFI.

The Yanceyville AA is located in the north central portion of North Carolina known as the Piedmont. The AA is north of two major metropolitan areas: the Triad (Greensboro, High Point, and Winston-Salem) and the Research Triangle (Raleigh, Durham, and Chapel Hill). The AA's northern border adjoins the southern border of ANB's Danville, VA MSA 1950 AA.

The AA is served by two international airports, each within an hour's drive; Greensboro to the southwest and Raleigh-Durham to the southeast.

Manufacturing concerns are the largest employers in the area with service industries in a close second.

There are no low-income geographies in the AA. Twenty-two percent of families are low-income. Sixteen percent of families are moderate-income. Six percent of families live below poverty. The poverty level for the state of North Carolina is 14%. The area's unemployment rate is below that of the state rate of 2.3%.

PNB operates one branch in the AA. Just under 5% of PNB's total deposits and just over 5% of its loans originated during the evaluation period are located in this AA. There were only two FDIC-insured banking and thrift companies operating a one branch each in the AA as of June 30, 2001. Fidelity Bank is their only competitor for deposits in the area.

PNB's primary business focuses in this AA are lending to businesses and farms and for residential real estate.

We reviewed the Consolidated HUD plan for the state of North Carolina and two community contacts to determine the community credit and development needs in the AA. One organization contacted provides education, training, and technical assistance for small businesses and the other is a CDC that provides access to the SBA 504 program. Comments indicated there was some need for flexible lending programs to bring borrowers into traditional lending sources and away from non-traditional lenders. Both contacts indicated local banks compete for loans and work to provide products and services that meet community credit needs.

Based on our contacts, ANB's investigation and review of publicly available information, the opportunities for making qualified investments and providing community development services in this AA are very limited. Only two non-governmental community development organizations were identified that serve the Yanceyville AA.

Appendix D: Tables of Performance Data

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Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that ANB 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 ANB 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 ANB over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside ANB’s assessment area may receive positive CRA consideration.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by ANB 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 ANB 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 ANB 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 ANB'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 ANB 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 ANB's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by ANB 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 ANB 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 ANB 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 ANB 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 ANB 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 ANB 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 ANB's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of ANB's assessment area

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings
- Compares the percentage distribution of the number of ANB'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.

Tables of Performance Data

State of Virginia

Table 1. Lending Volume

LENDING VOLUME												
Geography: STATE OF VIRGINIA												
Evaluation Period: 1/1/1998 TO 12/31/2001												
MA/Assessment Area:	% 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:												
Danville, VA MSA 3150	79.75	1,105	64,425	1,399	92,842	289	4,063	0	0	2,823	163,368	90.41
Limited Review:												
Martinsville AA	16.52	204	16,279	378	29,878	3	13	0	0	585	46170	8.48
Halifax AA	3.73	38	4,285	72	8,153	22	211	0	0	132	12,649	1.11

* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is January 4, 1999 to May 6, 2002.

*** Deposit Data as of June 30, 2001. Rated Area refers to either the state, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																
Geography: STATE OF VIRGINIA							Evaluation Period: 1/1/1998 TO 12/31/2001									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid
Full Review:																
Danville, VA MSA 1950	451	80.11	0.23	0.00	20.57	17.07	64.50	60.53	14.70	22.39	9.67	0.00	9.71	9.71	9.65	
Limited Review:																
Martinsville AA	104	18.47	0.00	0.00	3.55	0.96	83.16	84.62	13.29	14.42	3.13	0.00	0.00	3.54	1.91	
Halifax AA	8	1.42	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1.26	0.00	0.00	1.27	0.00	

* Based on 2000 Peer Mortgage Data: Southeast Region.

** 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: 1/1/1998 TO 12/31/2001															
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Danville, VA MSA 1950	288	91.72	0.23	0.69	20.57	20.14	64.50	63.89	14.70	15.28	39.82	33.33	47.06	37.97	41.94
Limited Review:															
Martinsville AA	18	5.73	0.00	0.00	3.55	0.00	83.16	94.44	13.29	5.56	1.15	0.00	0.00	1.33	0.00
Halifax AA	8	2.55	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	2.56	0.00	0.00	2.56	0.00

* Based on 2000 Peer Mortgage Data: Southeast Region.

** 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: 1/1/1998 TO 12/31/2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp							
Full Review:																								
Danville, VA MSA 1950	357	79.16	0.23	0.28	20.57	14.01	64.50	61.34	14.70	24.37	7.75	0.00	5.66	6.94	13.44									
Limited Review:																								
Martinsville AA	73	16.19	0.00	0.00	3.55	5.48	83.16	80.82	13.29	13.70	3.15	0.00	8.33	2.21	7.94									
Halifax AA	21	4.66	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.74	0.00	0.00	0.74	0.00									

* Based on 2000 Peer Mortgage Data: Southeast Region.

** 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 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: STATE OF VIRGINIA				Evaluation Period: 1/1/1998 TO 12/31/2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans					
Full Review:															
Danville, VA MSA 1950	9	47.37	9.51	11.11	32.33	33.33	33.92	22.22	24.24	33.33	25.00	0.00	0.00	16.67	50.00
Limited Review:															
Martinsville AA	9	47.37	0.00	0.00	7.62	0.00	79.13	77.78	13.25	22.22	100.00	0.00	0.00	100.00	0.00
Halifax AA	1	5.26	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Mortgage Data: Southeast Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily 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: 1/1/1998 TO 12/31/2001				
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	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp							
Full Review:																								
Danville, VA MSA 1950	1,399	75.66	8.15	6.43	15.78	14.94	61.61	62.33	14.46	16.30	25.21	28.57	27.62	25.98	23.21									
Limited Review:																								
Martinsville AA	378	20.45	0.00	0.00	6.30	1.59	86.99	75.66	6.72	22.75	7.95	0.00	10.53	7.39	11.36									
Halifax AA	72	3.89	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	2.75	0.00	0.00	2.46	0.00									

* Based on 2000 Peer Small Business Data: US.

** 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 2000.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS Geography: STATE OF VIRGINIA Evaluation Period: 1/1/1998 TO 12/31/2001																
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
Danville, VA MSA 1950	289	92.04	0.84	0.00	9.66	5.19	81.93	93.43	7.56	1.38	69.17	0.00	0.00	70.94	0.00	
Limited Review:																
Martinsville AA	3	0.96	0.00	0.00	1.35	0.00	94.59	100.00	4.05	0.00	8.33	0.00	0.00	8.33	0.00	
Halifax AA	22	7.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	88.24	0.00	0.00	88.24	0.00	

* Based on 2000 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2000.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF VIRGINIA					Evaluation Period: 1/1/1998 TO 12/31/2001									
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****	Over all	Low	Mod	Mid	Upp	
Full Review:																
Danville, VA MSA 1950	451	80.11	21.77	6.82	17.22	17.50	21.74	23.41	39.27	52.27	10.90	8.04	8.30	7.24	16.43	
Limited Review:																
Martinsville AA	104	18.47	16.97	3.00	18.29	14.00	23.88	24.00	40.87	59.00	3.90	0.00	2.16	3.24	6.44	
Halifax AA	8	1.42	21.69	0.00	19.34	12.50	22.40	50.00	36.57	37.50	1.39	0.00	1.45	0.00	2.80	

* Based on 2000 Peer Mortgage Data: Southeast Region.

** As a percentage of loans with borrower income information available. No information was available for 2.66% of loans originated and purchased by ANB.

*** 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: 1/1/1998 TO 12/31/2001				
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****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp							
Full Review:																								
Danville, VA MSA 1950	288	91.72	21.77	17.08	17.22	25.62	21.74	29.89	39.27	27.40	40.27	28.57	39.53	49.23	39.44									
Limited Review:																								
Martinsville AA	18	5.73	16.97	0.00	18.29	38.89	23.88	38.89	40.87	22.22	1.15	0.00	0.00	6.25	0.00									
Halifax AA	8	2.55	21.69	12.50	19.34	37.50	22.40	37.50	36.57	12.50	2.63	11.11	0.00	6.25	0.00									

* Based on 2000 Peer Mortgage Data: Southeast Region.

** As a percentage of loans with borrower income information available. No information was available for 2.23% of loans originated and purchased by ANB.

*** 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: 1/1/1998 TO 12/31/2001									
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****	Over all	Low	Mod	Mid	Upp
Full Review:															
Danville, VA MSA 1950	357	79.16	21.77	8.16	17.22	16.91	21.74	22.16	39.27	52.77	8.54	6.21	4.17	5.75	14.72
Limited Review:															
Martinsville AA	73	16.19	16.97	4.17	18.29	25.00	23.88	18.06	40.87	52.78	3.99	0.00	3.65	3.39	6.90
Halifax AA	21	4.66	21.69	4.76	19.34	23.81	22.40	19.05	36.57	52.38	0.84	0.00	0.93	0.00	1.94

* Based on 2000 Peer Mortgage Data: Southeast Region.

** As a percentage of loans with borrower income information available. No information was available for 3.33% of loans originated and purchased by ANB.

*** 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: 1/1/1998 TO 12/31/2001		
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:									
Danville, VA MSA 1950	1,399	75.66	86.36	56.40	84.42	10.51	5.07	25.21	45.2
Limited Review:									
Martinsville AA	378	20.45	88.53	80.69	81.48	10.32	8.20	7.95	14.81
Halifax AA	72	3.89	89.21	61.11	72.22	15.28	12.50	2.75	4.50

* Based on 2000 Peer Small Business Data: US.

** 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 - 2000).

**** 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 17.63% of small loans to businesses originated and purchased by ANB.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: STATE OF VIRGINIA									
Evaluation Period: 1/1/1998 TO 12/31/2001									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Danville, VA MSA 1950	289	92.04	95.38	65.40	99.30	0.35	0.35	69.17	80.52
Limited Review:									
Martinsville AA	3	0.96	89.19	0.00	100.00	0.00	0.00	8.33	0.00
Halifax AA	22	7.00	96.85	63.64	100.00	0.00	0.00	23.53	44.44

* Based on 2000 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2000).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 31.53% of small loans to farms originated and purchased by ANB.

Table 13. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: STATE OF VIRGINIA									
Evaluation Period: 1/1/1998 TO 12/31/2001									
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:									
Danville, VA MSA 1950	9	1,788	46	3,176	66	4,964	22.94	0	0
Limited Review:									
Martinsville AA	3	55	7	296	10	351	0.01	0	0
Halifax AA	3	7	7	39	10	46	0.00	0	0
State-wide	6	3,480	3	650	9	4,130	77.05	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: 1/1/1998 TO 12/31/2001			
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:																			
Danville, VA MSA 1950	90.41	9	75.00	11.11	22.22	55.56	11.11	1	1	0	0	+1	-1	1.07	25.28	60.13	13.52		
Limited Review:																			
Martinsville AA	8.48	2	16.67	0.00	0.00	100.00	0.00	1	0	0	0	+1	0	0.00	4.92	82.44	12.64		
Halifax AA	1.11	1	8.33	0.00	0.00	100.00	0.00	1	0	0	0	+1	0	0.00	0.00	100.00	0.00		

State of North Carolina

Table 1. Lending Volume

LENDING VOLUME												Geography: STATE OF NORTH CAROLINA		Evaluation Period: 1/1/1998 TO 12/31/2001	
MA/Assessment Area:	% 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:															
Yanceyville AA	100.00	84	2,973	68	2,245	41	474	0	0	193	5,692	100.00			

* Loan Data as of December 31, 2001. Rated area refers to the state MA rating area.
 ** The evaluation period for Community Development Loans is January 4, 1999 to May 6, 2002.
 *** Deposit Data as of June 30, 2001. Rated Area refers to the state, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: STATE OF NORTH CAROLINA					Evaluation Period: 1/1/1998 TO 12/31/2001				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp							
Full Review:																								
Yanceyville AA	25	100.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.85	0.00	0.00	4.85	0.00								

* Based on 2000 Peer Mortgage Data: Southeast Region.

** 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 NORTH CAROLINA					Evaluation Period: 1/1/1998 TO 12/31/2001				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp									
Full Review:																								
Yanceyville AA	34	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	37.50	0.00	0.00	37.50	0.00									

* Based on 2000 Peer Mortgage Data: Southeast Region.

** 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 NORTH CAROLINA						Evaluation Period: 1/1/1998 TO 12/31/2001							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Yanceyville AA	25	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.79	0.00	0.00	4.79	0.00

* Based on 2000 Peer Mortgage Data: Southeast Region.

** 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 NORTH CAROLINA						Evaluation Period: 1/1/1998 TO 12/31/2001						
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:															
Yanceyville AA	68	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	13.13	0.00	0.00	13.13	0.00

* Based on 2000 Peer Small Business Data: US.

** 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 2000.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS												Geography: STATE OF NORTH CAROLINA				Evaluation Period: 1/1/1998 TO 12/31/2001			
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*								
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp		
Full Review:																			
Yanceyville AA	41	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	88.24	0.00	0.00	88.24	0.00				

* Based on 2000 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2000.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE															Geography: STATE OF NORTH CAROLINA					Evaluation Period: 1/1/1998 TO 12/31/2001				
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****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp							
Full Review:																								
Yanceyville AA	25	100.00	22.02	16.00	16.14	24.00	25.10	20.00	36.74	40.00	5.43	15.38	4.17	0.00	8.00									

* Based on 2000 Peer Mortgage Data: Southeast Region.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by ANB.

*** 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 NORTH CAROLINA					Evaluation Period: 1/1/1998 TO 12/31/2001				
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****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp							
Full Review:																								
Yanceyville AA	34	100.00	22.02	14.71	16.14	20.59	25.10	38.24	36.74	26.47	37.50	0.00	33.33	57.14	30.00									

* Based on 2000 Peer Mortgage Data: Southeast Region.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by ANB.

*** 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 NORTH CAROLINA				Evaluation Period: 1/1/1998 TO 12/31/2001								
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****	Over all	Low	Mod	Mid	Upp
Full Review:															
Yanceyville AA	25	100.00	22.02	8.70	16.14	21.74	25.10	30.43	36.74	39.13	5.56	7.69	4.55	0.00	8.16

* Based on 2000 Peer Mortgage Data: Southeast Region.

** As a percentage of loans with borrower income information available. No information was available for 8.00% of loans originated and purchased by ANB.

*** 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 NORTH CAROLINA			Evaluation Period: 1/1/1998 TO 12/31/2001	
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:									
Yanceyville AA	68	100.00	91.05	67.65	95.59	2.94	1.47	13.13	31.17

* Based on 2000 Peer Small Business Data: US.

** 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 - 2000).

**** 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 27.94% of small loans to businesses originated and purchased by ANB.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: STATE OF NORTH CAROLINA					Evaluation Period: 1/1/1998 TO 12/31/2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Yanceyville AA	41	100.00	93.62	51.22	97.56	2.44	0	88.24	77.78

* Based on 2000 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2000).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 48.78% of small loans to farms originated and purchased by ANB.

Table 13. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF NORTH CAROLINA				Evaluation Period: 1/1/1998 TO 12/31/2001			
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:									
Yanceyville AA	0	0	1	0.15	1	0.15	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 NORTH CAROLINA Evaluation Period: 1/1/1998 TO 12/31/2001																	
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:																	
Yanceyville AA	100.00	1	100.00	0.00	0.00	100.00	0.00	1	0	0	0	1	0	0	0	100.00	0.00

