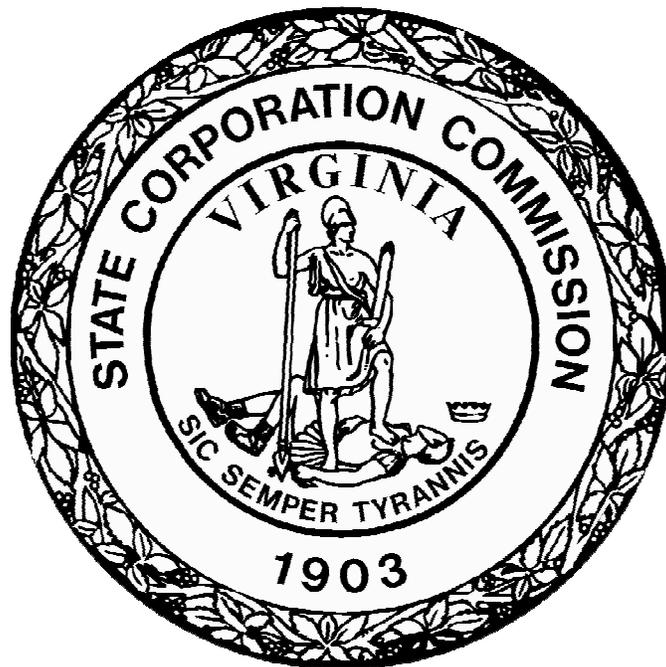


**SUMMARY OF OPERATIONS  
OF THE  
BUREAU OF FINANCIAL INSTITUTIONS**

**2008**



**BUREAU OF FINANCIAL INSTITUTIONS  
STATE CORPORATION COMMISSION  
COMMONWEALTH OF VIRGINIA**

**SUMMARY OF OPERATIONS  
OF THE  
BUREAU OF FINANCIAL INSTITUTIONS  
2008**

**Bureau of Financial Institutions  
1300 East Main Street, Suite 800  
Post Office Box 640  
Richmond, Virginia 23218**

**Ph: (804) 371-9657  
Fax: (804) 371-9416  
Email: [bfquestions@scc.virginia.gov](mailto:bfquestions@scc.virginia.gov)**

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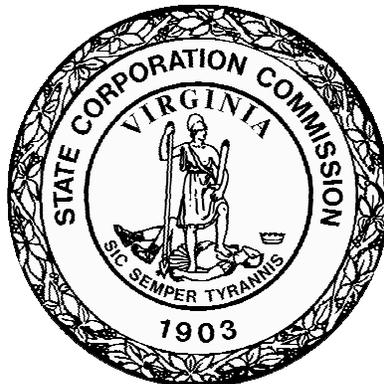
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## STATE CORPORATION COMMISSION



JUDITH WILLIAMS JAGDMANN, Chairman

MARK C. CHRISTIE

JAMES C. DIMITRI

JOEL H. PECK, Clerk of the Commission

The State Corporation Commission ("SCC") is an independent regulatory agency established by the Virginia Constitution of 1902. The Constitution vested the SCC with judicial, legislative, and executive powers. The SCC acts as a court of record and holds formal hearings when warranted. It can enforce its orders by fines or contempt citations. Its decisions can only be appealed to the Supreme Court of Virginia. The SCC's legislative authority is exercised when it makes rules and promulgates regulations. Its executive authority is exercised in its day-to-day administration.

The SCC's regulatory jurisdiction extends into two main business areas - public utilities and financial services. Public utilities include energy regulation, communications, and railroad and power line safety. Financial services include state-chartered financial institutions, insurance, securities, and retail franchising. In addition, the SCC is the State's central filing office for corporations, partnerships, limited liability companies, business trusts, Uniform Commercial Code financing statements, and federal tax liens.

The SCC is headed by three Commissioners elected by the Virginia General Assembly for six year terms. The terms are staggered in increments of two years in order to provide continuity. Working full time, the Commissioners, also known as judges, direct the work of the SCC with the expertise of a staff of more than 600, organized into 17 divisions.

## BUREAU OF FINANCIAL INSTITUTIONS

E. J. Face, Jr., Commissioner

### MISSION STATEMENT

**To protect the public interest in Virginia by maintaining a safe, sound, and competitive financial services environment, and to foster a positive impact on the Commonwealth's economy through the highest quality supervision and regulation.**

The Bureau of Financial Institutions ("Bureau") is one of the 17 divisions of the SCC. The Bureau was established in 1910 to regulate banks. Over time, its regulatory responsibilities were expanded under Title 6.1 of the Code of Virginia to include the regulation of other Virginia-chartered depository and non-depository financial institutions. Regulation consists of chartering and licensing on one hand, and examination, supervision, and enforcement on the other hand. Depository financial institutions are comprised of Virginia-chartered banks and related holding companies, savings institutions and related holding companies, and credit unions. Non-depository institutions consist of trust companies, consumer finance companies, mortgage lenders and brokers, money transmitters, credit counseling agencies, industrial loan associations, payday lenders, and check cashers. Each institution is required to obtain a certificate of authority or a license prior to engaging in business, with the exception of check cashers. Check cashers are required to register with the Bureau.

The Bureau also investigates and responds to consumer complaints. Two full-time employees, supported by legal staff and Bureau management, serve as intermediaries between consumers and regulated financial institutions and licensees. In 2008, the staff received and assisted in resolving 941 written complaints, compared with 1,337 in 2007. In 2008, \$56,644 was refunded to consumers, compared to \$167,892 in 2007. In addition to written complaints, the staff responds to thousands of telephone inquiries. The Bureau also has an outreach program for the purpose of improving the financial literacy of Virginians.

The Bureau is headed by the Commissioner of Financial Institutions and administratively is divided into five sections: (a) Administration and Finance, (b) Banks and Savings Institutions, (c) Credit Unions, (d) Consumer Finance, and (e) Corporate Structure and Research.

In 2008, the Bureau had 96 full-time staff. Fifty-five members of the staff were field examiners and 41 were office staff.

The Bureau's revenue is derived solely from supervision, examination, and licensing fees assessed on regulated financial institutions and licensees pursuant to applicable laws and regulations. For the fiscal year ended June 30, 2008, total receipts amounted to \$12,491,240 and total disbursements were \$12,293,289.

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**SUPERVISED INSTITUTIONS**

At the end of 2008, there were 2,471 financial institutions and licensees under supervision and regulation by the Bureau, compared with 2,965 at the end of 2007. The number of institutions under supervision decreased by 16.7 percent from the previous year. The following list provides a breakdown of supervised financial institutions and licensees for the last two years.

<b>Type Of Institution</b>	<b>Year-end 2008</b>	<b>Year-end 2007</b>
Virginia-Chartered Banks	82	83
Bank Holding Companies	48	48
Virginia-Chartered Savings Institutions	1	1
Subsidiary Trust Companies	3	4
Independent Trust Companies	0	1
Virginia-Chartered Credit Unions	51	54
Consumer Finance Companies	18	19
Industrial Loan Associations	5	5
Money Transmitters	69	73
Check Cashers	412	361
Credit Counseling Agencies	38	38
Payday Lenders	69	84
Mortgage Brokers	1,219	1,580
Mortgage Lenders	75	103
Mortgage Lenders and Brokers	381	511
<b>Total</b>	<b>2,471</b>	<b>2,965</b>

The Bureau has entered into interstate cooperative agreements with other state and federal agencies for the effective regulation of financial institutions and licensees operating across state lines. Virginia-chartered depository institutions and trust companies wishing to establish offices outside Virginia are required to obtain permission from the Virginia State Corporation Commission through the Bureau. These institutions are examined by the Bureau in cooperation with other state and federal agencies.

Most non-depository financial services companies, no matter where they are located, must obtain a Virginia license prior to conducting business in Virginia and are subject to examination by the Bureau. For example, out-of-state mortgage companies, money transmitters, credit counseling agencies, and payday lenders must obtain a Virginia license prior to offering services to Virginia consumers.

## PUBLICATIONS

The following publications are produced or made available by the Bureau and are posted on its web site at: <http://www.scc.virginia.gov/bfi/index.aspx>:

1. **Weekly Information Bulletin:** Lists weekly applications received from depository institutions and trust companies for new financial institutions, branches, relocations, mergers, acquisitions, and expansion of membership of credit unions; Commission approvals/denials of applications, and openings and closings of offices.
2. **The Virginia State Banker-** Periodic regulatory news for Virginia-chartered banks.
3. **The Credit Union Reflection-** Periodic regulatory news for Virginia-chartered credit unions.
4. **The Compliance Connection-** Quarterly regulatory news for Virginia mortgage and consumer finance licensees.
5. **Payday Press** – Periodic regulatory news for Virginia licensed payday lenders.
6. **Annual Report of the Bureau of Financial Institutions for Banks, Credit Unions, Savings Institutions, and Trust Companies-** Lists all application filings and status changes during the year and lists authorized institutions at year-end, including each of their authorized locations.
7. **Annual Report of the Bureau of Financial Institutions for Mortgage Brokers/Lenders, Industrial Loan Associations, Money Transmitters and Credit Counseling Agencies-** Lists all application filings and status changes during the year and lists licensees at year-end, including each of their authorized locations.
8. **Annual Report of the Bureau of Financial Institutions for Consumer Finance Licensees-** Lists all application filings and status changes during the year and lists consumer finance licensees at year-end, including each of their authorized locations.
9. **Annual Report of the Bureau of Financial Institutions for Payday Lenders and Check Cashers-** Lists all application filings and status changes of payday lenders during the year and lists licensees at year-end, including each of their authorized locations for payday lenders; lists check cashers registered at year-end.
10. **Consumer Publications and Downloadable Consumer Guides Related to Mortgage Loans, Debt Counseling / Debt Settlement / Fair Debt Collection, Payday Loans, and Other Financial Related Information**

## ACCREDITATIONS

The Bureau is accredited by the Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS). These professional organizations administer accreditation programs for member states. The accreditation programs apply national standards for the regulation of banks and credit unions. Accreditation recognizes the professionalism and proficiency of the Bureau and its staff. In order to ensure maintenance of professionalism, both CSBS and NASCUS review state agencies annually and re-accredit state agencies every five years.

## MEMBERSHIPS AND OTHER ACTIVITIES

**The Conference of State Bank Supervisors (“CSBS”)** was founded in 1902. It is the nation’s leading advocate for the state banking system, and the only national organization dedicated to advancing the state banking system. The Bureau is an active member of CSBS. As such, the Bureau has the opportunity to attend various training and educational programs and share ideas with banking departments from other states. Commissioner Face is Chairman Emeritus of CSBS, having served as Chairman of the Conference in 2006-2007.

**The National Association of State Credit Union Supervisors (“NASCUS”)** was formed in 1965 by state credit union regulators to ensure the safety and soundness of state-chartered credit unions. The Bureau was a chartering member of the association. NASCUS is the primary resource and voice of the state governmental agencies that charter, regulate, and examine the nation’s state-chartered credit unions. NASCUS is dedicated to the promotion of the dual chartering system and the autonomy of state credit union regulatory agencies. NASCUS also provides examiner education programs for state agencies. In addition, NASCUS administers a certification program for state credit union examiners.

**The American Association of Residential Mortgage Regulators (“AARMR”)** was formed in 1989 to promote the exchange of information between state regulators responsible for the licensing and regulation of residential mortgage lenders, mortgage brokers, and mortgage servicing companies; and to promote a better understanding of mortgage regulation. One important function of the association is to provide training to state mortgage regulators. The Bureau was a founding member of AARMR. Commissioner Face is a past two-term President of AARMR. Deputy Commissioner Susan Hancock served on the AARMR Board from 1997 to October 2007 and as President of the association in 2000. She currently chairs AARMR’s Finance Committee. Manager of Examinations Nancy Walker has chaired AARMR’s Training Committee for the past several years.

**The National Association of Consumer Credit Administrators (“NACCA”)** is a nonprofit association established in 1935 to improve the supervision of consumer credit agencies and to facilitate the administration of laws governing these agencies. The association provides training for state regulators involved in the regulation of non-depository institutions such as

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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payday lenders, consumer finance companies, and debt management agencies. NACCA is also a national board member of the Jump\$Start Coalition for Personal Financial Literacy. Commissioner Face is a past president of NACCA and Deputy Commissioner Susan Hancock was inducted as President of NACCA in October of 2008.

**The Money Transmitter Regulators Association (“MTRA”)** is a national nonprofit organization advancing the effective and efficient regulation of the money transmission industry in the United States of America. The MTRA membership consists of state regulatory authorities in charge of regulating money transmitters and sellers of traveler’s checks, money orders, drafts, and other money instruments. The Bureau has been a member of MTRA since its formation in 1989. Deputy Commissioner Nicholas C. Kyrus has been a member of the MTRA Board of Directors since 1993 and served as its President from 1999 to 2001.

**The Virginia Jump\$Start Coalition (“VJC”)** is a nonprofit, volunteer-driven organization that represents more than 100 individuals and organizations in business, government, nonprofit associations, and education who have joined together to work toward the improvement of financial literacy of Virginians. The VJC is a member organization of the National Jump\$Start Coalition for Personal Financial Literacy located in Washington, DC. The VJC strives to build awareness of and promote support for the need for personal finance education in Virginia. It also serves as a resource for the Virginia legislature to assess the effectiveness of pertinent legislation. Senior Financial Analyst Locke Trigg is currently a member of its Board of Directors. Commissioner Face serves on the Board of Directors of the National Jump\$Start Coalition representing NACCA.

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**RECEIPTS AND DISBURSEMENTS**

**July 1, 2007 - June 30, 2008**

**BEGINNING BALANCE, JULY 1, 2007** \$10,179,168

**RECEIPTS**

Banks	\$7,862,225
Mortgage Licensees	1,914,443
Credit Unions	1,032,949
Consumer Finance Licensees	691,510
Payday Lender Licensees	617,721
Check Cashers	96,850
Money Transmitters	53,500
Industrial Loan Associations	10,174
Savings Institutions	7,723
Credit Counseling Licensees	11,550
Miscellaneous	<u>192,595</u>

**TOTAL RECEIPTS** \$12,491,240

**DISBURSEMENTS**

Salaries and Fringe Benefits	\$7,931,135
Communication Services	84,812
Employee Development Services	277,123
Management Services	13,741
Repair and Maintenance Services	699
Support Services	2,001,244
Technical Services	182,068
Travel Services	1,130,635
Supplies and Materials	29,261
Continuous Charges	175,652
Equipment	149,477
Debt Service (Tyler Building)	316,842
Mandated Transfers to General Fund	0
Increase in Travel Advances Outstanding	<u>600</u>

**TOTAL DISBURSEMENTS** \$12,293,289

**CHANGE FOR FISCAL 2008** 197,951

**ENDING BALANCE, JUNE 30, 2008** \$10,377,119

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**OFFICERS THROUGH WHOM THE STATE CORPORATION COMMISSION  
HAS ADMINISTERED LAWS RELATED TO FINANCIAL INSTITUTIONS**

*Chief Examiner of Banks*

C. C. BARKSDALE, June 15, 1910 to February 15, 1919  
JOHN T. GARRETT (Acting), February 16, 1919 to March 9, 1919  
J. H. PINNER, March 10, 1919 to April 30, 1919  
F. B. RICHARDSON, May 1, 1919 to July 31, 1923  
M. E. BRISTOW, August 1, 1923 to July 14, 1927

*Chief Deputy to the Commissioner of Insurance and Banking*

M. E. BRISTOW, July 15, 1927 to January 15, 1930

*Commissioner of Insurance and Banking*

M. E. BRISTOW, January 16, 1930 to June 20, 1938

*Commissioner of Banking*

M. E. BRISTOW, June 21, 1938 to January 31, 1939  
MILTON R. MORGAN, February 1, 1939 to January 15, 1951  
LOGAN R. RITCHIE, January 16, 1951 to June 30, 1965  
THOMAS D. JONES, JR., July 1, 1965 to May 2, 1973  
RALPH S. JESSEE (Acting), May 3, 1973 to January 24, 1974  
THOMAS D. JONES, JR., January 25, 1974 to May 7, 1975  
RALPH S. JESSEE (Acting), May 8, 1975 to December 14, 1976  
THOMAS D. JONES, JR., December 15, 1976 to May 31, 1977  
SIDNEY A. BAILEY, June 1, 1977 to June 30, 1978

*Commissioner of Financial Institutions*

SIDNEY A. BAILEY, July 1, 1978 to June 30, 1997  
E. J. FACE, JR., July 1, 1997 to Date

**LEGAL HOLIDAYS**

In each year, the first day of January (New Year's Day), the Friday preceding the third Monday in January (Lee-Jackson Day), the third Monday in January (Martin Luther King, Jr. Day), the third Monday in February (George Washington Day), the last Monday in May (Memorial Day), the fourth day of July (Independence Day), the first Monday in September (Labor Day), the second Monday in October (Columbus Day and Yorktown Victory Day), the eleventh day of November (Veterans Day), the fourth Thursday in November and the Friday next following (Thanksgiving), the twenty-fifth day of December (Christmas Day), or whenever any of such days shall fall on a Saturday, the Friday next preceding such day, or whenever any of such days shall fall on Sunday, the Monday next following such day, and any day so appointed by the Governor of this Commonwealth or the President of the United States, shall be a legal holiday as to the transaction of all business (Title 2.2, Chapter 33, Code of Virginia).

STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008

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**Bureau of Financial Institutions Staff**

**Executive Management**

E. Joseph Face, Jr., Commissioner

Gerald E. Fallen, Deputy Commissioner, Administration and Finance

John M. Crockett, Deputy Commissioner, Banks and Savings Institutions

Steve W. Pemberton, Deputy Commissioner, Credit Unions

Nicholas C. Kyrus, Deputy Commissioner, Corporate Structure and Research

Susan E. Hancock, Deputy Commissioner, Consumer Finance

**Professional Staff**

Saraan Ajaye

Diane Cochran

Martin Holbrook

Jacob Anderson

Susan Cross

Michael Holland

Candido Baquiran, Jr.

Eric Dean

Jayson Hubbard

Roger Baughan

Charles Dickerson

Robert Hughes

Michael Beane

Fred Doyle

Brenton Hunt

Barbara Bergman

Tu Duong

Jeremy Lichliter

Olena Bilay

James Fabrie

Diallo Martin

Robert Bishop

Amy Finneran

Melissa McCollum

George Blevins

Stacey Fleming

Robert Mednikov

Stephen Brannan

Wayne Giles

Kenneth Mullen

Marvin Brooks

Carl Gustafson

Kathy Mundy

John Campbell

Robin Hall

Antonio Muniz-Perez

Cynthia Cannaday

Garth Hancock

Michael Neese

Gerald Cenzon

Jeffrey Harden

William Opperman

Janice Charity

Daniel Hearn

Walter Owings

Clyde Clay

Karen Heede

Werner Paul

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**Professional Staff (Continued)**

Nancy Philpott	Russell Spain, III	Daniel Tucker
Dustin Physioc	Dwight Stephens	John Turner
Mark Pinson	Randy Street	Teresa Vick
Ronald Prillaman	Joyce Tinsley	Nancy Walker
Cris Pugh	John Toca	Joel Williams
Lynda Ramsey	Mark Trenor	Martin Williams
Gabriel Rojas	Locke Trigg	Robin Wirt
William Siegfried	Stuart Tripp, III	Wayne Woods
John Smigal		

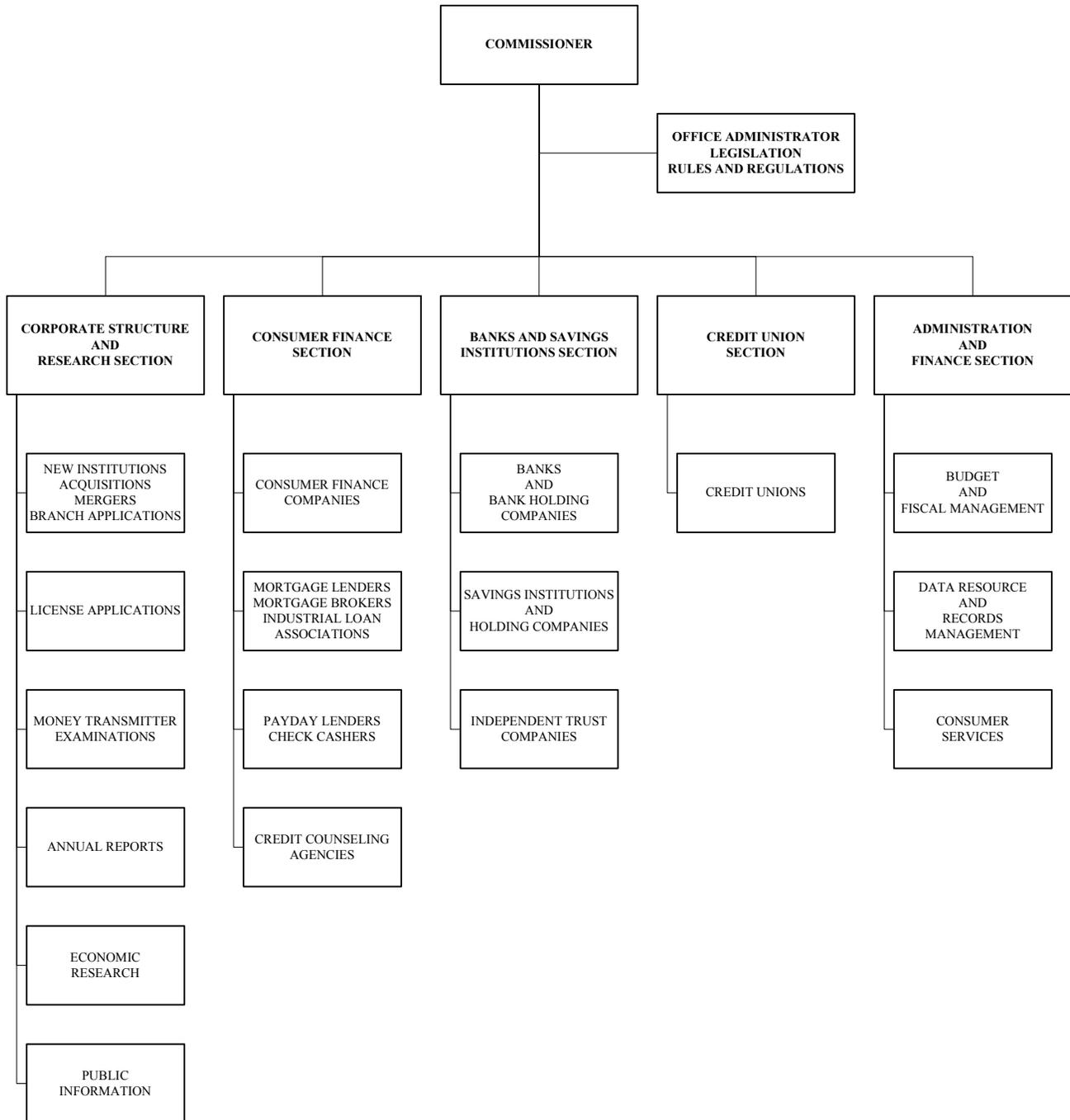
**Support Staff**

Wanda Belfield	Mary Lou Kelly	James Sherwood
Jean Bowden	Katrina Lewis	Kathleen Sumler
Jennifer Carter	Rosa Lewis	Rosa Smith
Carol Foster	Betty Nolan	Regina Thomas
Malinda Hancock	Diana Quaid	Joanne White
Jane Harris	Ginger Sandler	

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**ORGANIZATIONAL CHART  
BUREAU OF FINANCIAL INSTITUTIONS**



## **ORGANIZATIONAL STRUCTURE OF THE BUREAU OF FINANCIAL INSTITUTIONS**

Administratively, the Bureau is divided into five sections: (a) Administration and Finance, (b) Banks and Savings Institutions, (c) Credit Unions, (d) Consumer Finance, and (e) Corporate Structure and Research

### **ADMINISTRATION AND FINANCE SECTION**

Gerald E. Fallen, Deputy Commissioner

The Administration and Finance Section provides logistical support to the regulatory sections; administers budgeting, accounting, and procurement functions; administers human resources and information technology operations; maintains Bureau records; and handles consumer complaints and outreach programs. The Section also performs special projects for the Commissioner and oversees compilation of the Bureau's strategic plan.

### **BANKS AND SAVINGS INSTITUTIONS SECTION**

John M. Crockett, Deputy Commissioner

The Banks and Savings Institutions Section is responsible for the regulation and supervision of Virginia-chartered banks and bank holding companies, savings and loan associations, savings banks, and trust companies. Headed by Deputy Commissioner John M. Crockett, the Section has a staff of 38 examination professionals and three administrative professionals.

Title 6.1 of the Code of Virginia requires the Bureau to examine each depository financial institution and each trust company within prescribed time periods, to determine its safety and soundness, and to ensure each is being operated in compliance with the laws of the Commonwealth of Virginia. A process is utilized including onsite examinations and continuous monitoring, augmented by financial data and the examination reports supplied by other state and federal agencies charged with similar regulatory responsibilities, as well as other sources of information useful in maintaining an ongoing knowledge of the condition of each Virginia-chartered depository institution.

In 2008, the Section supervised 82 banks, 48 bank holding companies, one savings institution, and three subsidiary trust companies. During 2008, the Section examined 37 banks, 19 bank holding companies and one trust company and one savings institution. At the end of 2008, total assets of Virginia-chartered banks stood at \$45.4 billion with equity capital of \$4.9 billion. Equity capital to assets of Virginia-chartered banks was 10.8 percent at the end of 2008 compared to 12.0 percent at the end of 2007.

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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In 2008, the number of Virginia-chartered banks decreased from 83 to 82. During the year, five Virginia-chartered banks merged into other banks, four new banks were established, one Virginia-chartered bank converted to a national bank, and one federal savings institution converted to a Virginia-chartered bank. Although there was only a net decrease of one banking organization, with the conversion of Capital One Bank to a national bank, total assets of Virginia-chartered banks decreased from \$73.9 billion at the end of 2007 to \$45.4 billion at the end of 2008.

**CREDIT UNION SECTION**

Steve W. Pemberton, Deputy Commissioner

The Credit Union Section regulates and supervises Virginia-chartered credit unions. The Section has a staff of six examination professionals. The primary duty of the Section is to perform and review examinations of Virginia-chartered credit unions for safety and soundness and for compliance with various state laws and federal insurance regulations. Forty-nine of 51 credit unions in operation were examined during 2008, with an average examination cycle of about 12 months, well within the statutory mandate to examine each credit union twice within a three year period. Examiners receive two weeks of professional training and continuing education each year from the National Credit Union Administration (NCUA) and the National Association of State Credit Union Supervisors (NASCUS), and more is available as warranted. All examiners hold certifications from NASCUS.

At the end of 2008, Virginia-chartered credit unions had over 595,722 members (one in thirteen Virginians). Total assets of Virginia-chartered credit unions increased to \$4.9 billion in 2008 from \$4.6 billion in 2007, an increase of 7.9 percent, compared to the national average of 7.7 percent. Net income decreased from \$28.3 million in 2007 to \$24.1 million in 2008, a decrease of 14.8 percent. The net worth ratio of Virginia-chartered credit unions was 11.1 percent at the end of 2008, compared to 10.4 percent at the end of 2007.

**CONSUMER FINANCE SECTION**

Susan E. Hancock, Deputy Commissioner

The Consumer Finance Section supervises non-depository companies, individuals and other business entities, including mortgage lenders and brokers, consumer finance companies, payday lenders, industrial loan associations, credit counseling agencies, and check cashers. The Section is headed by Deputy Commissioner Susan E. Hancock and is assisted by 21 examiners and two administrative professionals. The primary responsibility of the Section is to conduct compliance examinations to ensure that the licensees are conducting business in accordance with applicable laws and regulations. The Bureau is authorized by law to examine or investigate all licensees, and most licensees are required to be examined once every three years.

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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In addition to conducting examinations of non-depository institutions, the Consumer Finance Section also investigates information relating to entities that may be conducting business in Virginia without the required license. This is handled primarily by one investigator who also investigates licensees for allegations of fraud and other illegal activity.

During the 2008 calendar year, the Section conducted a total of 1,058 examinations with the majority (911) being mortgage examinations. As a result of these examinations, overcharges totaling \$272,821 were refunded by licensees to consumers. In addition, bond claims totaling \$321,817 were filed to recover overcharges to consumers.

Examiners receive training and continuing education by attending various schools offered by the American Association of Residential Mortgage Regulators and the National Association of Consumer Credit Administrators. Examiners also attended training on reverse mortgage loans offered by the Conference of State Bank Supervisors.

At the end of 2008, the Bureau regulated 2,289 non-depository licensees. Of these, 1,675 were mortgage lenders and brokers reporting 2008 activity of \$7.6 billion in brokered mortgage loans and \$12.3 billion in closed mortgage loans, secured by one to four family owner-occupied residential real estate located in Virginia. This activity was down sharply for the second straight year. For 2007 mortgage lenders and brokers reported \$15.4 billion in brokered mortgage loans and \$17.2 billion in closed mortgage loans. During 2008, the 69 licensed payday lenders reported making 3.4 million loans totaling \$1.3 billion. Eighteen consumer finance companies, operating from 179 licensed offices, reported 147,000 loans outstanding to Virginia consumers at year-end 2008, with a total balance of \$743.9 million.

## **CORPORATE STRUCTURE AND RESEARCH SECTION**

Nicholas C. Kyrus, Deputy Commissioner

The Corporate Structure and Research Section is primarily responsible for processing and investigating applications from depository and non-depository institutions, individuals and other business entities for certificates of authority and licenses to conduct business in Virginia, and for branches, offices, relocations, mergers, and acquisitions. Additionally, the Section is responsible for the examination and supervision of money transmitters. Virginia's 69 licensed money transmitters, operating either directly or through thousands of agents located in Virginia, reported \$9.3 billion in money order sales and \$4.8 billion in money transmissions during 2008. The Section is also responsible for corporate matters including changes in ownership, directors, officers, and name changes of regulated entities; review and compilation of annual reports of licensees; and preparation of the Bureau's annual reports. Deputy Commissioner Kyrus is assisted by eight analysts and four administrative professionals.

As a result of the crisis in the mortgage industry and the national recession, application filings have declined each of the last two years. From a record high of 3,498 applications filed in

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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2006, total application filings decreased to 2,842 in 2007 and 1,842 in 2008. Application filings for 2008 represented a 35 percent decrease from the previous year.

Mortgage lender and broker application filings represent the majority of application filings. These represented 76 percent of total applications received in 2008 with 1,393 applications filed compared to 2,354 applications filed in 2007. Total mortgage company filings in 2008 declined by 41 percent from 2007. Filings for 2007 had declined 16 percent from the previous year.

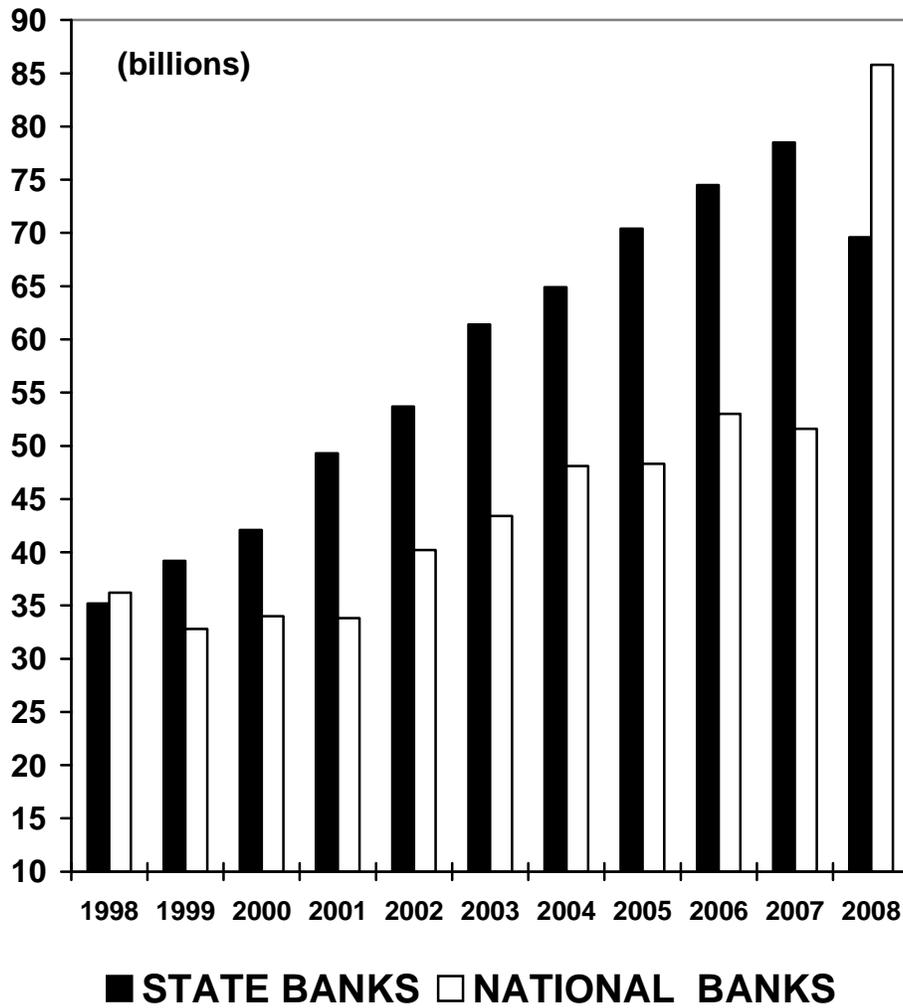
The Bureau also experienced a sharp rise in mortgage company license surrenders and revocations for each of the last two years. License surrenders by mortgage lenders and brokers increased from 148 in 2006 to 322 in 2007 and 555 in 2008. Revocations of mortgage lender and broker licenses increased from 22 in 2006 to 58 in 2007 and 159 in 2008.

In the depository area, the Section received a total of 103 applications, of which 89 were from banks and 14 from credit unions, compared with 105 from banks and 8 from credit unions in 2007. Bank applications consisted of 54 applications for branch expansion, 11 applications for relocations, 13 applications for acquisitions, 7 applications for mergers, 2 applications for new banks, and 2 conversion applications.

**Application Filings**

	2003	2004	2005	2006	2007	2008
Banks	121	137	132	162	105	89
Credit Unions	11	19	11	16	8	14
Trust Companies	2	0	4	3	3	1
Savings Institutions	2	1	0	0	0	0
New Mortgage Brokers	341	410	457	461	378	134
New Mortgage Lenders	35	50	39	29	18	17
New Mortgage Lender/Brokers	70	97	128	93	76	36
Requests for Additional Authority	53	49	54	63	20	14
Exclusive Agent Applications	6	2	9	8	2	2
Additional Offices and Relocations	1,676	1,765	2,011	2,074	1,799	1,143
Acquisitions	35	43	55	52	61	47
Money Transmitters	13	27	31	17	13	14
Acquisitions	0	3	5	5	13	4
New Credit Counseling Agencies	10	41	14	3	1	3
Additional Offices and Relocations	10	9	2	110	51	120
New Payday Lenders	21	22	21	17	8	6
Acquisitions	2	0	1	1	3	2
Additional Offices and Relocations	221	125	106	117	58	25
Other Business Requests	33	22	22	21	28	43
New Consumer Finance Offices	56	11	28	46	31	26
Other Business Requests	15	17	5	89	49	23
Check Cashers	51	53	64	111	117	79
<b>Total applications received</b>	<b>2,784</b>	<b>2,903</b>	<b>3,199</b>	<b>3,498</b>	<b>2,842</b>	<b>1,842</b>

**Deposits In Virginia Bank Offices\*  
State And National 1998 – 2008**



\*-Includes deposits of Virginia Banks and Out-of State Banks operating in Virginia

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Consolidated Report of Condition for Virginia State-Chartered Banks  
As of December 31 (In Thousands of Dollars)**

	December 31, 2007 83 State Banks 785 Branches	December 31, 2008 82 State Banks 863 Branches
<b>ASSETS</b>		
Cash and balances due from depository institutions .....	\$ 3,167,848	\$ 1,622,633
Noninterest-bearing balances and currency and coin.....	1,403,723	1,074,747
Interest-bearing balances .....	1,764,125	547,886
Securities .....	11,306,761	6,257,794
Federal funds sold & securities purchased under agreement to resell.....	1,459,999	306,003
Loan and lease financing receivables:		
Loans and leases held for sale.....	342,807	381,770
Loans and leases, net of unearned income .....	51,921,262	33,950,626
LESS: Allowance for loan and lease losses .....	1,583,492	440,766
Loans and leases, net of unearned income and allowance for losses .....	50,337,770	33,509,860
Assets held in trading accounts.....	84,950	82,813
Premises and fixed assets (including capitalized leases) .....	1,640,170	976,063
Other real estate owned.....	52,751	121,887
Intangible assets.....	909,990	798,952
Other assets.....	4,599,057	1,376,582
<b>TOTAL ASSETS</b> .....	<b>\$ 73,902,103</b>	<b>\$ 45,434,357</b>
<b>LIABILITIES</b>		
Deposits:		
In domestic offices	\$ 43,737,539	\$ 35,326,262
(1) Noninterest-bearing.....	4,572,221	4,991,270
(2) Interest-bearing .....	39,165,318	30,334,992
In foreign offices, Edge and Agreement subsidiaries, and IBFs...	2,086,209	0
(1) Noninterest-bearing.....	36,859	0
(2) Interest-bearing .....	2,049,350	0
Federal funds purchased and securities sold under agreement to repurchase .....	6,626,321	1,274,010
Other borrowed money .....	8,058,182	3,456,524
Notes and debentures subordinated to deposits .....	602,895	62,460
Other liabilities .....	3,940,772	393,221
<b>TOTAL LIABILITIES</b> .....	<b>65,051,918</b>	<b>40,512,477</b>
<b>EQUITY CAPITAL</b>		
Perpetual preferred stock .....	0	153,209
Common stock .....	545,616	466,055
Surplus .....	3,512,404	2,454,243
Undivided profits and capital reserves.....	4,792,165	1,848,373
<b>TOTAL EQUITY</b> .....	<b>8,850,185</b>	<b>4,921,880</b>
<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b> .....	<b>\$ 73,902,103</b>	<b>\$ 45,434,357</b>

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Consolidated Report of Income for Virginia State-Chartered Banks  
For the Year Ended December 31 (In Thousands of Dollars)**

	2007	2008
<b>INTEREST INCOME:</b>		
Interest and fees on loans .....	\$ 4,684,657	\$ 2,113,217
Income from lease financing receivables .....	121	208
Interest on balances due from depository institutions .....	141,354	6,500
Interest and dividends on securities.....	502,589	286,299
Interest from assets held in trading accounts.....	6,103	4,040
Interest on federal funds sold and securities purchased under agreements to resell.....	163,564	18,197
Other Interest Income .....	349,221	11,564
<b>TOTAL INTEREST INCOME .....</b>	<b>5,847,609</b>	<b>2,440,025</b>
<b>INTEREST EXPENSE:</b>		
Interest on deposits in domestic offices.....	1,530,423	865,831
Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs .....	124,689	0
Expense of federal funds purchased and securities sold under agreements to repurchase .....	176,336	29,445
Interest on trading liabilities and other borrowed money.....	478,563	122,403
Interest on notes and debentures subordinated to deposits.....	42,424	5,048
<b>TOTAL INTEREST EXPENSE .....</b>	<b>2,352,435</b>	<b>1,022,727</b>
<b>NET INTEREST INCOME .....</b>	<b>3,495,174</b>	<b>1,417,298</b>
Provision for loan and lease losses .....	990,620	202,030
<b>NONINTEREST INCOME:</b>		
Income from fiduciary activities .....	13,744	16,315
Service charges on deposit accounts in domestic offices .....	106,429	121,433
Trading revenue .....	(2,672)	(2,328)
Other fee income .....	4,516,678	110,938
All other noninterest income .....	2,115,339	118,323
<b>TOTAL NONINTEREST INCOME.....</b>	<b>6,749,518</b>	<b>364,681</b>
Realized gains (losses) on securities .....	(507)	(41,592)
<b>NONINTEREST EXPENSE:</b>		
Salaries and employee benefits .....	734,003	644,113
Expenses of premises and fixed assets (net of rental income)...	211,703	171,205
Other noninterest expense .....	4,779,689	428,018
<b>TOTAL NONINTEREST EXPENSE.....</b>	<b>5,725,395</b>	<b>1,243,336</b>
<b>INCOME BEFORE INCOME TAXES AND EXTRA- ORDINARY ITEMS AND OTHER ADJUSTMENTS.....</b>	<b>3,528,170</b>	<b>295,021</b>
<b>APPLICABLE INCOME TAXES .....</b>	<b>1,230,640</b>	<b>81,518</b>
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	<b>2,297,530</b>	<b>213,503</b>
<b>EXTRAORDINARY ITEMS NET OF INCOME TAXES</b>	<b>0</b>	<b>(769)</b>
<b>NET INCOME .....</b>	<b>\$ 2,297,530</b>	<b>\$ 212,734</b>

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**Operating Ratios For Virginia State-Chartered Banks**

CLASSIFICATION IN MILLIONS OF DOLLARS	UNDER 100	100-250	250-500	500-1,000	OVER 1,000	ALL BANKS
NUMBER OF BANKS IN GROUP	11	28	17	15	11	82
Yield on Earning Assets	6.22	6.45	6.31	6.75	6.10	6.31
Cost of Funding Earning Assets	2.31	2.66	2.69	2.79	2.59	2.65
Net Interest Margin	3.91	3.80	3.63	3.96	3.51	3.66
Noninterest Income to Earning Assets	0.70	0.61	0.66	1.41	0.88	0.94
Noninterest Expense to Earning Assets	4.72	3.67	2.90	3.90	2.88	3.21
Net Operating Income to Assets	-0.39	0.05	0.74	0.60	0.61	0.56
Return on Assets	-0.58	0.07	0.28	0.57	0.62	0.50
Pretax Return on Assets	-0.66	0.26	0.29	0.77	0.86	0.69
Return on Equity	-3.59	0.58	2.89	6.43	5.53	4.67
Retained Earnings to Average Equity	-4.48	-1.71	-0.78	2.38	3.17	1.87
Net Charge-offs to Loans	0.18	0.20	0.14	0.42	0.34	0.32
Loss Allowance to Loans	1.39	1.27	1.12	1.36	1.30	1.29
Noncurrent Assets Plus Other Real Estate Owned to Assets	1.33	1.00	1.16	1.66	1.45	1.41
Noncurrent Loans to Total Loans	1.49	1.12	1.26	1.47	1.73	1.55
Net Loans and Leases to Deposits	79.98	92.70	93.26	101.79	95.26	95.93
Equity Capital to Assets	14.66	11.03	9.48	8.88	11.82	10.83
Tier One Risk-based Capital Ratio	21.07	14.16	11.64	10.78	11.51	11.74
Total Risk-based Capital Ratio	22.19	15.27	12.74	11.96	12.84	12.98

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Selected Data for Virginia State-Chartered Banks  
As of December 31, 2008**

<b>Bank Name</b>	<b>Principal Location</b>	<b>No. of Offices</b>	<b>Assets (\$000)</b>	<b>Deposits (\$000)</b>	<b>Equity (\$000)</b>
Alliance Bank Corporation*	Fairfax	6	572,102	429,024	46,525
Bank of Botetourt	Buchanan	10	294,986	265,172	25,556
The Bank of Charlotte County*	Phenix	4	117,690	98,182	14,094
Bank of Clarke County*	Berryville	12	522,016	387,030	47,440
Bank of Essex*	Tappahannock	17	1,079,127	863,575	160,847
The Bank of Fincastle	Fincastle	9	156,699	132,204	23,819
Bank of Floyd*	Floyd	8	210,070	189,394	18,109
The Bank of Hampton Roads*	Chesapeake	18	606,882	487,335	70,689
Bank of Lancaster*	Kilmarnock	8	316,879	251,257	25,144
The Bank of Marion*	Marion	16	332,035	293,006	29,442
Bank of McKenney*	McKenney	6	165,462	142,893	17,368
Bank of the Commonwealth*	Norfolk	21	1,084,583	783,636	105,235
Bank of the James*	Lynchburg	9	328,561	268,545	24,179
The Bank of Southside Virginia	Carson	15	481,978	419,882	58,062
Bank of Virginia*	Midlothian	5	203,712	171,012	16,316
Benchmark Community Bank*	Kenbridge	12	373,447	337,752	33,141
The Blue Grass Valley Bank	Blue Grass	2	34,509	30,514	3,786
Burke & Herbert Bank & Trust Company	Alexandria	20	1,699,507	1,302,831	163,097
The Business Bank	Vienna	6	239,738	216,957	21,873
Cardinal Bank	McLean	25	1,737,738	1,185,600	165,473
Carter Bank & Trust	Martinsville	124	2,800,478	2,470,803	303,529
Central Virginia Bank*	Powhatan	9	485,290	348,510	30,738
Chesapeake Bank*	Kilmarnock	11	533,660	429,773	40,974
Citizens and Farmers Bank	West Point	18	847,034	550,880	80,607

\* - Member of Federal Reserve

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Selected Data for Virginia State-Chartered Banks  
As of December 31, 2008**

<b>Bank Name</b>	<b>Principal Location</b>	<b>No. of Offices</b>	<b>Assets (\$000)</b>	<b>Deposits (\$000)</b>	<b>Equity (\$000)</b>
Citizens Bank and Trust Company*	Blackstone	11	298,851	249,721	29,909
Citizens Community Bank*	South Hill	5	154,393	132,897	21,181
Colonial Virginia Bank*	Gloucester	2	110,772	86,789	11,902
Community Bankers' Bank*	Midlothian	1	199,132	91,864	12,883
Community Capital Bank of Virginia*	Christiansburg	1	13,172	6,288	6,825
Consolidated Bank and Trust Company*	Richmond	3	91,330	82,056	8,915
EVB*	Tappahannock	27	1,050,079	818,974	75,118
Farmers & Merchants Bank*	Timberville	9	464,451	342,600	35,702
The Farmers & Merchants Bank of Craig County*	New Castle	2	49,578	41,615	7,761
Farmers and Miners Bank*	Pennington Gap	6	121,686	106,909	14,004
The Farmers Bank of Appomattox*	Appomattox	4	154,407	131,787	18,552
Farmers Bank, Windsor, Virginia*	Windsor	4	375,339	304,109	29,846
The Fauquier Bank*	Warrenton	8	514,232	400,662	44,997
First and Citizens Bank	Monterey	2	102,875	91,052	11,068
First Bank*	Strasburg	11	547,356	447,617	47,939
The First Bank and Trust Company*	Lebanon	19	998,546	822,569	91,424
First Capital Bank*	Glen Allen	7	431,582	336,343	39,894
First Sentinel Bank*	Richlands	5	148,781	136,765	11,203
First State Bank	Danville	1	27,655	25,101	2,205
First Virginia Community Bank*	Fairfax	2	102,619	82,148	19,620
The Freedom Bank of Virginia*	Vienna	2	144,201	120,904	22,705
Frontier Community Bank*	Waynesboro	1	34,403	25,845	8,409
Heritage Bank*	Norfolk	5	265,478	215,864	25,414
Highlands Community Bank*	Covington	2	80,270	71,801	8,186

\* - Member of Federal Reserve

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Selected Data for Virginia State-Chartered Banks  
As of December 31, 2008**

<b>Bank Name</b>	<b>Principal Location</b>	<b>No. of Offices</b>	<b>Assets (\$000)</b>	<b>Deposits (\$000)</b>	<b>Equity (\$000)</b>
Highlands Union Bank*	Abingdon	14	667,986	523,867	41,187
HomeTown Bank*	Roanoke	5	234,195	188,411	25,135
John Marshall Bank*	Baileys Crossroads	2	136,407	95,420	30,088
Lee Bank & Trust Company	Pennington Gap	4	166,186	144,553	19,659
MainStreet Bank*	Herndon	2	187,373	142,458	22,475
Middleburg Bank*	Middleburg	9	978,360	746,207	75,946
Miners Exchange Bank*	Coeburn	7	95,894	87,283	8,013
Monarch Bank*	Chesapeake	9	597,198	496,218	69,740
New Peoples Bank, Inc.*	Honaker	31	807,237	706,633	70,472
Northern Neck State Bank*	Warsaw	9	349,475	307,006	29,009
The Page Valley Bank*	Luray	4	104,389	81,810	7,699
Peoples Bank of Virginia*	Richmond	4	259,603	219,082	34,503
The Peoples Bank	Ewing	5	79,832	66,293	6,519
Peoples Community Bank*	Montross	5	109,786	95,987	12,158
Pioneer Bank*	Stanley	6	152,954	129,151	13,415
Select Bank*	Forest	2	73,289	60,644	11,981
Shore Bank*	Onley	8	318,479	195,358	52,285
StellarOne Bank*	Christiansburg	63	2,933,064	2,356,725	374,730
SuffolkFirst Bank*	Suffolk	3	184,158	130,285	16,709
Towne Bank	Portsmouth	17	3,133,589	2,245,386	419,671
TruPoint Bank*	Grundy	11	501,381	393,896	50,955
Union Bank and Trust Company*	Bowling Green	43	2,033,806	1,518,372	223,664
United Bank*	Fairfax	58	4,169,787	2,864,736	580,549
Valley Bank*	Roanoke	8	668,407	485,354	50,839

\* - Member of Federal Reserve

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**Selected Data for Virginia State-Chartered Banks  
As of December 31, 2008**

<b>Bank Name</b>	<b>Principal Location</b>	<b>No. of Offices</b>	<b>Assets (\$000)</b>	<b>Deposits (\$000)</b>	<b>Equity (\$000)</b>
Village Bank	Midlothian	15	557,373	466,954	51,105
Virginia Bank and Trust Company*	Danville	7	149,080	122,933	23,388
Virginia Business Bank*	Richmond	2	167,843	136,904	11,570
Virginia Commerce Bank*	Arlington	27	2,713,694	2,172,699	316,168
Virginia Commonwealth Bank*	Petersburg	9	310,352	261,063	37,792
Virginia Community Bank*	Louisa	8	195,473	154,060	16,764
Virginia Company Bank	Newport News	2	103,264	73,587	8,898
Virginia Heritage Bank*	Fairfax	3	242,178	171,269	29,745
Virginia Partners Bank*	Fredericksburg	3	46,803	27,521	19,278
WashingtonFirst Bank	Reston	9	299,377	230,284	27,089

\* - Member of Federal Reserve

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**Holding Companies with Bank Subsidiaries Headquartered in Virginia**

Abigail Adams National Bancorp, Inc., 1130 Connecticut Avenue, Suite 200, Washington, DC 20036  
Consolidated Bank and Trust Company, Richmond, VA  
The Adams National Bank, Washington, DC

Access National Corporation, 1800 Robert Fulton Drive, Suite 300, Reston, VA 20191  
Access National Bank, Chantilly, VA

Alliance Bankshares Corporation, 14200 Park Meadow Drive, Suite 200, Chantilly, VA 20151  
Alliance Bank Corporation, Chantilly, VA

American National Bankshares Inc., P. O. Box 191, Danville, VA 24543-0191  
American National Bank and Trust Company, Danville, VA

BCC Bankshares, Inc., P. O. Box 336, Phenix, VA 23959-0336  
The Bank of Charlotte County, Phenix, VA

The Bank of Southside Virginia Corporation, P. O. Box 40, Carson, VA 23830-0040  
The Bank of Southside Virginia, Carson, VA

Bank of the James Financial Group, Inc., 828 Main Street, Lynchburg, VA 24505  
Bank of the James, Lynchburg, VA

Bay Banks of Virginia, Inc., P. O. Box 1869, Kilmarnock, VA 22482-1869  
Bank of Lancaster, Kilmarnock, VA  
Bay Trust Company, Kilmarnock, VA

Benchmark Bankshares Inc, P. O. Box 569, Kenbridge, VA 23944-0569  
Benchmark Community Bank, Kenbridge, VA

Blue Ridge Bankshares, Inc., P. O. Box 609, Luray, VA 22835-0609  
The Page Valley Bank, Luray, VA

Botetourt Bankshares, Inc., P. O. Box 339, Buchanan, VA 24066-0339  
Bank of Botetourt, Buchanan, VA

C&F Financial Corporation, P. O. Box 391, West Point, VA 23181-0391  
Citizens and Farmers Bank, West Point, VA

CNB Bancorp, Inc., P. O. Box 100, Windsor, VA 23487  
Citizens National Bank, Windsor, VA

Capital One Financial Corporation, 1680 Capital One Drive, McLean, VA 22102-3491  
Capital One Bank (USA), National Association, Glen Allen, VA  
Capital One, National Association, McLean, VA

Cardinal Bankshares Corporation, P. O. Box 215, Floyd, VA 24091-0215  
Bank of Floyd, Floyd, VA

Cardinal Financial Corporation, 8270 Greensboro Drive Suite 500, McLean, VA 22102  
Cardinal Bank, McLean, VA

Central Virginia Bankshares, Inc., P. O. Box 39, Powhatan, VA 23139-0039  
Central Virginia Bank, Powhatan, VA

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**Holding Companies with Bank Subsidiaries Headquartered in Virginia**

Chain Bridge Bancorp, Inc., 1445-A Laughlin Avenue, McLean, VA 22101  
Chain Bridge Bank, National Association, McLean, VA

Chesapeake Financial Shares, Inc., P. O. Box 1419, Kilmarnock, VA 22482-1419  
Chesapeake Bank, Kilmarnock, VA  
Chesapeake Trust Company, Kilmarnock, VA

Citizens Bancorp of Virginia, Inc., 126 South Main Street, Blackstone, VA 23824-1842  
Citizens Bank and Trust Company, Blackstone, VA

Commonwealth Bankshares, Inc., P. O. Box 1177, Norfolk, VA 23501-1177  
Bank of the Commonwealth, Norfolk, VA

Community Bankers Trust Corporation, 4235 Innslake Drive, Suite 200, Glen Allen, VA 23060  
Bank of Essex, Tappahannock, VA

Eagle Financial Services, Inc., P. O. Box 391, Berryville, VA 22611-0391  
Bank of Clarke County, Berryville, VA

Eastern Virginia Bankshares, Inc., P. O. Box 1455, Tappahannock, VA 22560-1455  
EVB, Tappahannock, VA

F & M Bank Corp, P. O. Box 1111, Timberville, VA 22853-1111  
Farmers & Merchants Bank, Timberville, VA

Fauquier Bankshares, Inc., P. O. Box 561, Warrenton, VA 20188-0561  
The Fauquier Bank, Warrenton, VA

First Bancorp, Inc., P. O. Box 457, Lebanon, VA 24266  
The First Bank and Trust Company, Abingdon, VA

First Bankshares, Inc., 3535 Bridge Road, Suffolk, VA 23435  
SuffolkFirst Bank, Suffolk, VA

First Capital Bancorp, Inc., 4222 Cox Road, Suite 200, Glen Allen, VA 23060  
First Capital Bank, Glen Allen, VA

First Community Bancshares, Inc., P. O. Box 989, Bluefield, VA 24605-0989  
First Community Bank, National Association, Bluefield, VA

First National Corporation, 112 West King Street, Strasburg, VA 22657-2220  
First Bank, Strasburg, VA

First Region Bancshares, Inc., P. O. Box 1050, Richlands, VA 24641-1050  
First Sentinel Bank, Richlands, VA

GNB Bankshares Corporation, P. O. Box 2080, Grundy, VA 24614-2080  
Grundy National Bank, Grundy, VA

Grayson Bankshares, Inc., P. O. Box 186, Independence, VA 24348-0186  
Grayson National Bank, Independence, VA

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**Holding Companies with Bank Subsidiaries Headquartered in Virginia**

Hampton Roads Bankshares, Inc., P. O. Box 1000, Chesapeake, VA 23327-1000  
The Bank of Hampton Roads, Chesapeake, VA  
Shore Bank, Onley, VA  
Gateway Bank & Trust Company, Elizabeth City, NC

Heritage Bankshares, Inc., 200 East Plume Street, Norfolk, VA 23510  
Heritage Bank, Norfolk, VA

Highland County Bankshares, Inc., P. O. Box 529, Monterey, VA 24465-0529  
First and Citizens Bank, Monterey, VA

Highlands Bankshares, Inc., P. O. Box 1128, Abingdon, VA 24212-1128  
Highlands Union Bank, Abingdon, VA

MainStreet Bankshares, Inc., 730 East Church Street, Suite 30, Martinsville, VA 24112  
Franklin Community Bank, N. A., Rocky Mount, VA

Middleburg Financial Corporation, P. O. Box 5, Middleburg, VA 20118-0005  
Middleburg Bank, Middleburg, VA  
Middleburg Trust Company, Middleburg, VA

Millennium Bankshares Corporation, 1601 Washington Plaza, Reston, VA 20190-9305  
Millennium Bank, National Association, Reston, VA

Miners and Merchants Bancorp, Inc., P. O. Box 1010, Grundy, VA 24614-1010  
TruPoint Bank, Grundy, VA

Monarch Financial Holdings, Inc., 1101 Executive Boulevard, Chesapeake, VA 23320  
Monarch Bank, Chesapeake, VA

National Bankshares, Inc., P. O. Box 90002, Blacksburg, VA 24062-9002  
The National Bank of Blacksburg, Blacksburg, VA

New Peoples Bankshares, Inc., 64 Commerce Drive, P. O. Box 1810, Honaker, VA 24260  
New Peoples Bank, Inc., Honaker, VA

Old Point Financial Corporation, 10 South Mallory Street, Hampton, VA 23663  
The Old Point National Bank of Phoebus, Hampton, VA

Peoples Bankshares, Incorporated, P. O. Box 306, Montross, VA 22520-0306  
Peoples Community Bank, Montross, VA

Pinnacle Bankshares Corporation, P. O. Box 29, Altavista, VA 24517-0029  
The First National Bank of Altavista, Altavista, VA

Pioneer Bankshares, Inc., P. O. Box 10, Stanley, VA 22851-0010  
Pioneer Bank, Stanley, VA

Powell Valley Bankshares, Inc., P. O. Box 100, Jonesville, VA 24263-0100  
Powell Valley National Bank, Jonesville, VA

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

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**Holding Companies with Bank Subsidiaries Headquartered in Virginia**

Southern National Bancorp of Virginia, Inc., 1770 Timberwood Boulevard, Suite 100, Charlottesville, VA 22911  
Sonabank, National Association, Charlottesville, VA

Southwest Virginia Bankshares, Inc., P. O. Box 1067, Marion, VA 24354-1067  
The Bank of Marion, Marion, VA

StellarOne Corporation, 590 Peter Jefferson Parkway, Charlottesville, VA 22911  
StellarOne Bank, Christiansburg, VA

Union Bankshares Corporation, P. O. Box 446, Bowling Green, VA 22427-0446  
Northern Neck State Bank, Warsaw, VA  
The Rappahannock National Bank of Washington, Washington, VA  
Union Bank and Trust Company, Bowling Green, VA

United Bankshares, Inc., 514 Market Street, P. O. Box 1508, Parkersburg, WV 26101  
United Bank, Fairfax, VA  
United Bank, Inc., Parkersburg, WV

United Financial Banking Companies, Inc., 8399 Leesburg Pike, Vienna, VA 22182  
The Business Bank, Vienna, VA

Valley Financial Corporation, P. O. Box 2740, Roanoke, VA 24001-2740  
Valley Bank, Roanoke, VA

Village Bank and Trust Financial Corp., 1231 Alverser Drive, Midlothian, VA 23113  
Village Bank, Midlothian, VA

Virginia BanCorp, Inc., 407 N. Ridge Road, Richmond, VA 23229  
Virginia Commonwealth Bank, Petersburg, VA

Virginia Bank Bankshares, Inc., P. O. Box 3447, Danville, VA 24543-3447  
Virginia Bank and Trust Company, Danville, VA

Virginia Commerce Bancorp, Inc., 5350 Lee Highway, Arlington, VA 22207-1608  
Virginia Commerce Bank, Arlington, VA

Virginia Community Bankshares, Inc., P. O. Box 888, Louisa, VA 23093-0888  
Virginia Community Bank, Louisa, VA

Virginia Community Capital, Inc., 990 Cambria Street, NE, Christiansburg, VA 24073  
Community Capital Bank of Virginia, Christiansburg, VA

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Consolidated Report of Condition for Virginia State-Chartered Credit Unions  
As of December 31**

	2007	2008
<b>ASSETS</b>		
Loans .....	\$3,205,501,776	\$3,455,128,533
LESS: Allowance for loan losses .....	20,276,771	27,135,567
Cash .....	209,349,973	221,286,677
Available for Sale securities .....	351,677,996	404,941,310
Held to Maturity securities .....	227,537,688	358,484,862
Shares, deposits & certificates in Corporate Centrals .....	308,093,388	153,739,942
Shares, deposits & certificates in banks, S&L's & MSB's .....	61,734,379	125,572,803
Shares, deposits & certificates in other credit unions .....	5,969,847	8,296,255
All other investments .....	9,906,602	13,843,555
Land and buildings (net of depreciation) .....	87,506,454	95,758,903
Other fixed assets (net of depreciation) .....	23,375,695	21,503,527
Share insurance capitalization deposit .....	35,793,742	37,540,645
All other assets .....	67,576,903	66,712,096
<b>TOTAL ASSETS</b> .....	<b>\$4,573,747,672</b>	<b>\$4,935,673,541</b>
<b>LIABILITIES &amp; SAVINGS EQUITY</b>		
Notes/interest payable .....	\$23,128,773	\$84,464,610
Accounts payable .....	30,496,082	44,790,347
Dividends payable .....	1,685,788	1,019,488
<b>TOTAL LIABILITIES</b> .....	<b>\$55,310,643</b>	<b>\$130,274,445</b>
Share certificates .....	\$1,450,438,827	\$1,507,794,245
Share draft accounts .....	462,180,033	506,594,208
IRA accounts .....	398,711,741	471,329,143
Other shares .....	1,680,976,366	1,770,066,923
<b>TOTAL SHARES</b> .....	<b>\$3,992,306,967</b>	<b>\$4,255,784,519</b>
Regular/statutory reserve .....	\$84,600,700	\$83,784,143
Other reserves .....	64,488,397	68,601,087
Unrealized Gains (Losses) on available for sale securities .....	(8,914,715)	(5,585,803)
Undivided earnings .....	385,955,680	402,815,150
<b>TOTAL EQUITY</b> .....	<b>\$526,130,062</b>	<b>\$549,614,577</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b> .....	<b>\$4,573,747,672</b>	<b>\$4,935,673,541</b>
Number of credit unions in operation .....	54	51

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Consolidated Report of Income for Virginia State-Chartered Credit Unions  
For the Year Ended December 31**

	2007	2008
<b>INCOME</b>		
Interest on loans (gross) .....	\$217,249,831	\$227,768,916
LESS: Interest refunded .....	266,241	
Income from investments .....	53,397,671	47,039,962
Fee income .....	36,657,501	39,805,017
Other operating income .....	28,609,517	30,452,887
<b>TOTAL GROSS INCOME .....</b>	<b>335,648,279</b>	<b>345,066,782</b>
<b>EXPENSES</b>		
Employee compensation & benefits .....	\$82,022,492	87,911,510
Travel & conference expense .....	2,165,620	2,370,076
Office occupancy expense .....	8,395,725	9,754,020
Office operations expense .....	36,502,032	40,090,473
Education & promotional expenses .....	5,188,564	5,933,192
Loan servicing expense .....	15,555,806	16,340,723
Professional & outside services .....	8,558,522	9,089,344
Provision for loan losses .....	14,248,471	26,591,635
Members insurance .....	790,837	627,079
Operating fees (examination & supervision fees) .....	1,054,014	1,126,906
Miscellaneous operating expenses .....	3,104,206	3,417,308
<b>TOTAL OPERATING EXPENSES BEFORE DIVIDENDS .....</b>	<b>177,586,289</b>	<b>203,252,266</b>
<b>NET INCOME (LOSS) BEFORE DIVIDENDS .....</b>	<b>158,061,990</b>	<b>141,814,516</b>
Gains (losses) on investments .....	58,932	3,290,402
Gains (losses) on deposition of fixed assets .....	(31,803)	(44,830)
Other non-operating income (expense) .....	224,700	262,947
<b>TOTAL NON-OPERATING GAINS (LOSSES) .....</b>	<b>251,829</b>	<b>3,508,519</b>
Total net income (loss) before dividends .....	158,313,819	145,323,035
Interest on borrowed money .....	1,418,339	1,467,795
Dividends .....	127,443,055	119,169,836
Net income (loss) after dividends .....	29,452,425	24,685,404
LESS: Required transfer to statutory reserve (net) .....	1,126,294	557,015
<b>Change to undivided earnings as a result of operations .....</b>	<b>\$ 28,326,131</b>	<b>\$ 24,128,389</b>

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Selected Data for Virginia State-Chartered Credit Unions  
As of December 31, 2008**

<b>Credit Union Name</b>	<b>Principal Location</b>	<b>Assets (\$000)</b>	<b>Deposits (\$000)</b>	<b>Equity (\$000)</b>
A B & W Credit Union, Incorporated	Alexandria	27,769	23,063	4,320
Augusta Health Care Credit Union, Incorporated	Fishersville	9,373	8,643	712
Beacon Credit Union, Incorporated	Lynchburg	41,201	34,252	3,791
Belt Line Employees Credit Union, Incorporated	Portsmouth	3,572	3,114	459
Cadmus Credit Union, Incorporated	Richmond	2,858	2,194	658
Campbell County Employee's Credit Union, Inc.	Concord	730	619	110
C.C.C. Martinsville Employees Credit Union, Incorporated	Martinsville	709	590	119
Centra Health Credit Union	Lynchburg	5,731	4,248	1,480
Chesapeake City Employees Credit Union	Chesapeake	4,618	4,033	578
Chesapeake Public School Employee's Credit Union, Inc.	Chesapeake	8,050	6,928	1,098
Dominion Credit Union	Richmond	177,817	154,193	22,689
DuPont Community Credit Union	Waynesboro	654,211	554,574	63,520
Goodyear-Danville Family Credit Union	Danville	8,944	7,582	1,303
Hampton City Employees Credit Union, Incorporated	Hampton	6,134	5,495	596
Hampton Roads Educators Credit Union, Inc.	Hampton	26,035	23,028	2,846
Hampton Roads Postal Credit Union, Inc.	Hampton	3,191	2,906	271
Home Town Community Credit Union	Smithfield	2,542	1,676	895
Klann Employees Credit Union, Incorporated	Waynesboro	110	49	61
Landmark Communications Employees Credit Union, Inc.	Norfolk	2,098	1,791	305
Life Line Credit Union, Inc.	Richmond	8,721	8,082	626
Loudoun Credit Union	Leesburg	22,432	19,097	2,969
Martinsville Du Pont Employees Credit Union, Incorporated	Martinsville	255,622	221,035	34,191
Martinsville Postal Credit Union, Incorporated	Martinsville	295	229	66
membersTrust Credit Union	Virginia Beach	47,353	37,980	5,916
N.C.S.E. Credit Union, Inc.	Lovington	929	750	179
Nabisco Employees Credit Union	Richmond	7,322	4,920	2,389

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**Selected Data for Virginia State-Chartered Credit Unions  
As of December 31, 2008**

<b>Credit Union Name</b>	<b>Principal Location</b>	<b>Assets (\$000)</b>	<b>Deposits (\$000)</b>	<b>Equity (\$000)</b>
Newport News Municipal Employees Credit Union, Incorporated	Newport News	36,357	32,339	3,910
Newport News Shipbuilding Employees' Credit Union, Inc. d/b/a Bayport Credit Union	Newport News	1,010,377	824,352	137,473
Norfolk Southern Employees' Credit Union, Incorporated	Chesapeake	2,117	1,741	371
Norfolk, Va., Postal Credit Union, Incorporated	Norfolk	5,038	4,236	799
Northern Star Credit Union, Incorporated	Portsmouth	99,836	75,619	12,319
Old Dominion University Credit Union, Inc.	Norfolk	18,338	16,016	2,184
P.W.C. Employees Credit Union	Woodbridge	32,650	27,822	4,691
Petersburg Federal Reformatory Credit Union, Incorporated	Petersburg	1,952	1,343	608
PFD Firefighters Credit Union, Incorporated	Portsmouth	19,931	18,336	1,482
Piedmont Credit Union	Danville	33,942	30,266	3,581
Portsmouth Police Credit Union, Incorporated	Portsmouth	1,460	1,131	329
Prime Care Credit Union, Incorporated	Norfolk	13,328	11,488	1,744
Richmond Fire Department Credit Union, Incorporated	Richmond	14,159	12,060	1,952
Richmond Police Department Credit Union, Incorporated	Richmond	4,764	3,769	854
Richmond Postal Credit Union Incorporated, The	Richmond	78,287	68,147	10,396
Riverside Health System Employees' Credit Union, Incorporated	Newport News	7,191	5,849	1,233
Spruance Cellophane Credit Union	Richmond	6,022	5,193	824
University of Virginia Community Credit Union, Inc.	Charlottesville	395,036	343,872	44,807
Valley Industrial Credit Union	Waynesboro	5,656	4,883	757
Virginia Credit Union, Inc.	Richmond	1,689,819	1,523,858	147,819
Virginia Educators' Credit Union	Newport News	42,931	36,361	6,361
Virginia Gas, Credit Union, Incorporated	Staunton	3,232	2,684	453
Virginia United Methodist Credit Union, Inc.	Richmond	19,831	18,286	1,499
Waynesboro Employees Credit Union, Inc.	Waynesboro	3,662	3,127	522
WECCU Credit Union	Covington	59,834	51,935	7,902

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**PAYDAY LENDER LICENSEE ACTIVITY FOR THE YEAR<sup>1</sup>**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
1. Total number of payday lender licensees operating at year end	69	84	84	83
2. Total number of locations operated by payday lender licensees at year end	769	832	791	756
3. Total number of payday loans made	3,378,047	3,537,395	3,593,401	3,372,103
4. Total dollar amount of payday loans made	\$1,327,345,367	\$1,357,007,451	\$1,311,902,855	\$1,197,105,829
5. Average loan amount	\$340	\$342	\$365	\$355
6. Total number of individuals to whom payday loans were made	437,025	449,860	433,537	445,891
7. Number of individual borrowers who received more than one loan but less than 13 loans	309,951	304,061	289,767	288,737
8. Number of individual borrowers who received 13 loans or more	90,155	94,530	96,831	90,859
9. Average number of loans per borrower	7.7	7.9	8.3	7.6
10. Range of annual percentage rates charged on payday loans	0 - 782 <sup>2</sup>			
11. Average annual percentage rate charged on payday loans	363	359	378	386
12. Range of number of days of the term of payday loans made	7-62	7-65	7-62	7 - 56
13. Average term in days of payday loans made	16	16	15	15
14. Total number of borrower checks returned unpaid by the drawer depository institution	176,632	168,075	153,882	144,882
15. Total dollar amount of borrower checks returned unpaid by the drawer depository institution	\$74,567,490	\$69,440,282	\$62,153,570	\$56,152,641
16. Total number of returned checks ultimately paid	76,724	71,129	86,459	78,003
17. Total dollar amount of returned checks ultimately paid	\$26,957,527	\$29,710,385	\$32,174,066	\$27,727,473
18. Total number of returned checks charged off as uncollectible	104,832	82,291	71,038	76,546
19. Total dollar amount of returned checks charged off as uncollectible	\$42,487,127	\$33,340,379	\$27,691,870	\$28,498,733
20. Total number of returned check fees collected from borrowers whose checks are returned for insufficient funds	52,625	54,403	61,050	53,227
21. Total dollar amount of returned check fees collected from borrowers whose checks are returned for insufficient funds	\$230,385	\$228,718	\$268,270	\$250,599
22. Total number of individual borrowers against whom lawsuits were instituted	11,717	11,790	12,486	9,039
23. Total dollar amount of loans sought to be recovered through lawsuits	\$4,809,054	\$4,799,551	\$5,103,644	\$3,123,044

<sup>1</sup> Information compiled from annual reports filed by payday lenders with the Bureau of Financial Institutions.

<sup>2</sup> Some payday lenders offered promotional rates to first time customers.

**STATE CORPORATION COMMISSION – BUREAU OF FINANCIAL INSTITUTIONS  
SUMMARY OF OPERATIONS - 2008**

**CONSUMER FINANCE COMPANIES  
AS OF DECEMBER 31, 2008**

<b>Company Name</b>	<b>Number of Offices</b>	<b>Total Assets*</b>	<b>Consumer Finance Net Income</b>
1. AmeriCash Loans of Virginia, LLC d/b/a AmeriCash Loans	1	\$ 358,003	(\$ 295,024)
2. American General Financial Services of America, Inc.	64	1,800,864,879	4,491,736
3. Atlantic Discount Corp. d/b/a Atlantic Financial Services	1	15,616,591	2,531
4. Beneficial Virginia Inc.	23	70,900,000	2,132,713
5. Bynum Finance Corporation	1	529,810	(43,351)
6. CitiFinancial Services, Inc.	67	502,681,979	9,857,258
7. Commonwealth Finance, LLC	2	3,963,982	112,737
8. Franklin Finance Company, Incorporated	1	1,393,416	154,359
9. Knight Finance Company	1	1,372,370	(13,744)
10. Lendmark Financial Services, Inc.	6	856,132,380	1,625,997
11. Mariner Finance of Virginia, LLC	4	2,511,689	(103,902)
12. Omni Financial of Virginia, Inc.	1	2,023,668	(182,064)
13. Parks Finance Service, Inc.	2	6,435,184	(28,468)
14. Piedmont Finance Service, Incorporated	1	1,640,901	9,872
15. Rocuda Finance Co.	1	814,089	38,232
16. Southern Finance Corp.	1	999,944	32,839
17. Sussex Finance & Loan Corporation	1	292,366	1,642
18. Virginia Finance, LLC	1	161,981	(2,073)
<b>TOTAL</b>	<b>179</b>	<b>\$3,268,693,232</b>	<b>\$17,791,290</b>

\* Total assets of all businesses conducted by the licensee (including outside of Virginia, if applicable) as of fiscal year end 2008.