

THE FIRST STATE BANK

PRIVACY POLICY AND STATEMENT

Effective: 01/01/2001

To Our Customers:

The First State Bank values our customers above all else. Our success is based on a high standard of customer satisfaction. We know that your privacy is important to you, and your satisfaction is dependent upon our integrity in handling your personal information. Through our employment practices and training, we strive to provide you with a staff that you can depend on. Our employees are continually trained to hold your information in the strictest confidence. Our electronic data system is protected internally by a centralized system of authority levels and password-limited access. Only those employees who have a customer-based need have access to your information. We do not share any current or former customer information with unauthorized entities except as permitted by law, and The First State Bank does not participate in the sale of any information to outside entities. Your information is available only to those entities to which you have given express written consent in order for The First State Bank to provide the highest level and quality of service to you. However, your credit information is fully available to you at your request.

Due to the limitations of the above-described policy, there is no need for our customers to request removal of their personal information from outside telemarketing and/or promotional lists. You will only receive promotional information directly related to currently held accounts at The First State Bank, which we believe our customers have a need and desire to be aware of. You may also receive additional materials which, based on information you have provided us, may be of interest to you. You will receive information and product mailings from The First State Bank and other non-affiliated third parties in order to learn about products and services offered by The First State Bank. We provide this information as a service to our customers. Effective 12/31/00, any and all entities involved in the production of these materials are required by The First State Bank to comply with our strict confidentiality guidelines, and not to enter into the sale of *any* personal information regarding our current and former customers to any other outside entity. This requirement is enforced through contractual agreement.

The First State Bank recognizes and respects the privacy expectations of our current and former customers. We want our customers to understand our commitment to privacy in our use of customer information. As a result of our commitment, we have developed these Privacy Principles which are made readily available to our customers and will be provided in writing annually. Current and former customers who have questions about these Privacy Principles or have any questions about the privacy of their customer information, should call The First State Bank at (304) 736-5271 or visit our web page www.fsb-wv.com.

Our Promise to You

Information about customers is accumulated from a variety of sources. Some information is provided to The First State Bank directly by customers themselves. Other data is developed by The First State Bank as a function of providing a product or service to a customer. Still other information is obtained from outside sources. We will limit the use and collection of information about our customers to that which is necessary to administer our business, provide superior service, and offer opportunities that we believe will be of interest to our customers. This means that we will use information to help us identify and mitigate potential risks or losses to The First State Bank. We will use information to help identify

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additional products or services that we believe customers might want to know about. We will use this information only in accordance with the principles set out in this Policy. We will safeguard, according to strict standards of security and confidentiality, any information our current and former customers share with us.

Examples of sources of non-public, personal information we may collect include:

- (a) credit applications
- (b) deposit account applications
- (c) transaction records
- (d) consumer reporting agencies

Non-public, personal information does not include information which is available from government records, widely distributed media, or government mandated disclosures.

We will limit the collection and use of current and former customer information to the minimum we require in order to deliver superior service to our customers. We believe superior service includes advising our customers about products, services and other opportunities, and to administer our business.

All employees are trained in the proper handling and use of current and former customer information and strict confidentiality guidelines and requirements, whether it pertains to electronic data or paper-based data. Employees who violate our Privacy Promise will be subject to our normal disciplinary process.

We safeguard information according to established security standards and procedures, and we continually assess new technology for protecting information.

We will not reveal current and former customer information to any external organization unless (a) we have previously informed the customer in disclosures or agreements and have a written contract with said organization which requires each to adhere to our confidentiality guidelines, (b) have been authorized by the customer via signature or request, or (c) are required by law or our regulators to do so.

Whenever we hire non-affiliated organizations to provide support services, we will require them to conform to our privacy standards via contractual agreement. For purposes of credit reporting, verification, risk management, and as a course of doing business, we will exchange information about our customers with reputable reference sources, such as clearinghouse services, consumer reporting agencies, and ChexSystems. In order to complete transactions requested by the customer, we may provide information such as name, address, social security number, account number, and credit line information as is permitted by law to these parties that provide services for The First State Bank.

We will not use or share (internally or externally) personally identifiable medical information for any purpose other than underwriting or administration of a customer's policy, claim, or account, unless the customer requests otherwise for purposes of providing additional services.

We will attempt to keep customer files complete, up-to-date, and accurate. We will inform our customers how and where to conveniently access their account information (except when we are prohibited to do so by law), and how to notify us about errors, which we will promptly correct.

Affiliates of The First State Bank include First Bankshares, Inc., and The First Company. The First State Bank does not share your non-public personal information with its affiliates.