



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

October 27, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Williamstown National Bank
Charter Number 11483**

**435 Highland Avenue
Williamstown, WV 26187**

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it 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.

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

We assigned the Community Reinvestment Act (CRA) rating on the following information:

- The bank's loan-to-deposit ratio is satisfactory.
- A majority of the bank's loans were originated within their assessment area.
- Analysis reflects reasonable penetration among individuals of different income levels.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- No public complaints related to CRA have been filed since the last CRA examination.

DESCRIPTION OF INSTITUTION

Williamstown National Bank (WNB) is a community bank located in Williamstown, WV, with total assets of \$85 million as of September 30, 2003. WNB is not a subsidiary of a holding company, and there have been no major changes in the bank's corporate structure since the last CRA evaluation. WNB received a Satisfactory CRA rating in its last CRA performance evaluation dated December 31, 1998. There are no legal or financial impediments to WNB's ability to meet the credit needs of its assessment area.

WNB's main office is located in Williamstown, WV. WNB also operates a full service branch in Parkersburg, WV. Both offices have drive-through facilities and automated teller machines. No offices have been opened or closed since the last CRA examination.

As of September 30, 2003, WNB's net loan portfolio was \$53 million. Total loans represented 62.2% of total assets at that time. Deposits totaled \$75 million. The following table reflects the composition of the bank's loan portfolio based on the September 30, 2003 call report.

Product Category	Gross Loans as of September 30, 2003*	
	Dollar (000's)	Percent
Commercial & Industrial	\$2,098	3.7%
Commercial Real Estate	\$18,105	32.2%
Residential Real Estate	\$17,842	31.7%
Individuals	\$17,170	30.6%
Construction & Land Development	\$916	1.6%
All Other	\$85	0.2%
Total	\$56,216	100%

*Data obtained from call report.

As indicated in the previous table, the bank's primary loan types, based on outstanding balances are commercial real estate, residential real estate, and consumer loans. However, based on the level of loan originations and discussions with bank management, we determined the bank's primary loan products are residential real estate and consumer loans.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area (AA) consists of the entire Parkersburg-Marietta (WV-OH) multistate metropolitan statistical area that is located in western West Virginia and eastern Ohio, along the Ohio River. The Parkersburg-Marietta (WV-OH) multistate MSA has 45 census tracts. There are no low-income tracts within the AA, however, there are nine moderate-income tracts. Six of these moderate tracts are in Wood County, WV and three are in Washington County, OH.

The remaining tracts are designated as 27 middle- and nine upper-income. WNB's AA meets the requirements of the CRA and does not arbitrarily exclude any low- or moderate-income areas.

Overall, the economy is stable in the area as evidenced by the unemployment of 6.3% as compared to the West Virginia and Ohio state averages of 10%. Based on 1990 census data, Parkersburg-Marietta (WV-OH) multistate MSA had a population of 149,169. The area's largest industries by distribution of employees are retail trade, manufacturing, and health services. The 2002 updated HUD MSA median family income equaled \$45,200.

Banking within the AA is competitive as there are numerous financial institutions to meet local credit needs. There are 66 branches of FDIC-insured institutions representing 20 banks varying in asset size operating in the MSA.

The following table summarizes demographic characteristics of WNB's AA:

Demographic Characteristics of Assessment Area		
Number of Geographies by Income Level:	Low-Income Moderate-Income Middle-Income Upper-Income N/A	0 9 27 9 0
Percent of Geographies by Income Level:	Low-Income Moderate-Income Middle-Income Upper-Income N/A	0 20.00 60.00 20.00 0
Percent of Population in each Tract:	Low-Income Moderate-Income Middle-Income Upper-Income N/A	0 15.93 67.23 16.83 0
Percent of Families by Income Level:	Low-Income Moderate-Income Middle-Income Upper-Income	21.00 18.00 22.00 39.00
Median Housing Characteristics:	Median Home Value Percent Owner-Occupied Units Median Gross Rent	\$50,131 67% \$318
Median Income Data:	1990 Census Weighted Ave. Median Family Income Updated Weighted Ave. Median Family Income	\$30,290 \$45,200

Community Contact

We conducted a community contact during this examination with a representative of the Wood County Area Development Corporation. Information obtained from this contact indicated the financial institutions are readily accessible and there were no special credit needs identified. Financial institutions are adequately meeting community credit needs.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

WNB's loan-to-deposit ratio is satisfactory in view of the community's credit needs, demand for credit, and significant level of competition among local financial institutions. As of June 30, 2003, the bank's loan-to-deposit ratio was 70.5%. The average quarterly loan-to-deposit ratio since the last CRA evaluation equals 76.6%. Based on a review of financial institutions operating in the bank's AA, we identified one bank, The Citizens Bank Company, to be similarly-situated to WNB. This is based on a review of total assets, branching network, and products. WNB's loan-to-deposit ratio for June 30, 2003 compared favorably with this institution, whose ratio was 62.1% for this same period.

Lending in Assessment Area

The bank originated a substantial majority of its total loans within the assessment area. In order to determine this, we analyzed a sample of WNB's loan portfolio based on primary products originated since the last CRA examination. The sample consisted of residential real estate mortgage loans (REM), and loans made for consumer purposes. This sample consisted of 30 REM loans and 27 consumer loans.

The table below summarizes the results of our review:

Lending Inside/Outside the Assessment Area (AA)						
	REM		Consumer		Total loans	
	#	\$	#	\$	#	\$
Inside AA	97%	97%	89%	77%	93%	95%
Outside AA	3%	3%	11%	23%	7%	5%
Total	100%	100%	100%	100%	100	100%

Lending to Borrowers of Different Incomes

The distribution of loans, given the demographics of the AA, reflects reasonable penetration among borrowers of different income levels (including low and moderate income). The analysis of lending to borrowers of different income levels was completed using the sample of loans made inside WNB's assessment area. This sample consisted of 29 REM loans and 24 consumer loans.

The table below illustrates the distribution of the 29 REM loans within the income levels compared to the percentage of families in each income level. The 29 loans represented \$1.8 million in originating amounts. The distribution of REM loans to low-income borrowers is excellent, while lending to moderate-income borrowers is reasonable.

Borrower Distribution of Real Estate Mortgage Loans				
Family Income	Low	Moderate	Middle	Upper
% Families	21%	18%	22%	39%
% Bank # Loans	24%	10%	28%	38%
% Bank \$ Loans	12%	8%	25%	55%

The table below illustrates the distribution of the 24 consumer loans within the income levels compared to the percentage of households in each income level. The 24 loans represented \$155,000 in originating amounts. The distribution of consumer loans to low-income and moderate-income borrowers is excellent.

Borrower Distribution of Consumer Loans				
Households	Low	Moderate	Middle	Upper
% Households	25%	15%	18%	42%
% Bank # Loans	33%	33%	25%	9%
% Bank \$ Loans	32%	36%	21%	11%

Geographic Distribution of Loans

WNB's geographic distribution of loans reflects a reasonable dispersion throughout their AA. As mentioned earlier in this document, there are no low-income census tracts in the AA, and nine moderate-income tracts. Based on lending activity, it appears the bank has low lending penetration in the moderate-income tracts. However, the moderate-income tracts are not in close proximity to the bank's branches, and there is competition from other financial institutions located closer to these geographies. The following tables reflect the results for each primary loan type:

Consumer Lending Throughout AA				
Income Tracts	Moderate	Middle	Upper	
% of Households	17%	66%	17%	
% by #	4%	75%	21%	
% by \$	3%	73%	24%	

Real Estate Mortgage Lending Throughout AA				
Income Tracts	Moderate	Middle	Upper	
% of Owner-Occupied Units	14%	67%	19%	
% by #	4%	79%	17%	
% by \$	4%	80%	16%	

Responses to Complaints

We have noted no CRA related complaints against Williamstown National Bank since our last CRA evaluation dated December 3, 1998.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.