



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

July 10, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Belmont National Bank
Charter Number 14050

Wheeling, WV

Comptroller of the Currency
Cleveland-Independence Duty Station
Three Summit Park Drive, Suite 530
Independence, Ohio 44131

NOTE: 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.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Belmont National Bank** prepared by **The Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **July 10, 1996**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Belmont National Bank's (BNB) performance under the Lending, Investment and Service tests are adequate. Our review disclosed that BNB receives applications and makes loans throughout its designated assessment area. The level of services are consistent throughout the assessment area.

The following table indicates the performance level of Belmont National Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>Belmont National Bank</u>		
	<u>PERFORMANCE TESTS</u>		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

DESCRIPTION OF INSTITUTION:

BNB is a \$322 million institution headquartered in Wheeling, WV. Branches are in Ohio and West Virginia, in and around the Wheeling WV-OH Metropolitan Statistical Area (MSA). BNB’s designated assessment areas are: the Wheeling WV-OH MSA, which includes Ohio and Marshall Counties in West Virginia and Belmont County in Ohio; and Tuscarawas and Harrison Counties in Ohio. Within the bank’s assessment area, the population and economic centers are located in Wheeling (Ohio County), St. Clairsville (Belmont County), and Dover/New Philadelphia (Tuscarawas County). The remaining portions of the assessment area are primarily rural. Mass transportation is not available throughout the assessment area. A limited local bus service operates in Wheeling. Selected details on these areas follow:

Population / Households / Families / Family Income			
	MSA	Tuscarawas	Harrison
Population	152,268	79,774	16,085
Households	60,115	30,564	6,109
Families	42,387	22,552	4,613
Median Family Income	\$27,287	\$30,563	\$30,563

Recap of Tract Status				
Tract type	MSA	Tuscarawas	Harrison	Total
Low-income	1	0	0	1
Moderate-inc.	8	5	2	15
Middle-inc.	30	14	3	47
Upper-income	9	0	0	9

In BNB’s assessment area, 44 census tracts/ block numbering areas are in Ohio; 28 are in West Virginia.

Percentage of Population by Tract Status			
Tract type	MSA	Tuscarawas	Harrison
Low-income	0.64 %	0 %	0 %
Moderate-income	8.49 %	29.92 %	37.32 %
Middle-inc.	71.43 %	70.08%	62.68 %
Upper-income	19.44 %	0 %	0 %

Housing Data			
	MSA	Tuscarawas	Harrison
Total housing units	66,535	32,484	7,301
Owner occupied	43,284	22,758	4,628
Median housing value	\$40,550	\$51,400	\$32,000

BNB is a full service financial institution, offering all traditional banking products. Trust services are also available. No financial or legal impediments hinder the bank's ability to serve its community.

Economic conditions are currently stable. Major industries are light manufacturing, service, government and tourism. Prior to the 1980's, the region's major industries were steel and coal production. With the reduction of coal production due to environmental concerns, heavy industries shrank as the cheap, close-by source of power was reduced. Unemployment levels reached 20 percent during the early and middle 1980's and many residents left the area. Regional government agencies organized development zones and offered financial assistance to attract businesses. These efforts were successful in bringing jobs to the area. Unemployment level for 1994 for the MSA was 7.73 percent. Current unemployment data was unavailable for Tuscarawas and Harrison counties.

We contacted two community groups in the bank's assessment area. Our discussions disclosed the following credit needs. Home purchase loans are needed as new businesses are bringing in new residents. Home improvement loans are needed as the existing housing stock declined during the high unemployment period during the 1980's. Commercial loans are needed to help attract manufacturing companies to the region to replace coal and steel jobs. Financing is required to assist in the acquisition and renovation of existing commercial buildings for service and retail use.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

BNB’s lending activity is substantially within its designated assessment area (both MSA and Non-MSA). Home Mortgage Disclosure Act (HMDA) reported loans for 1995 and for the first five months of 1996 reflect that the substantial majority of such loans are within the bank’s assessment area. Additional detail is provided below. Our review disclosed that BNB receives applications from throughout its designated assessment area. We found no geographic discrepancies in either applications received or loans approved. We concurred with bank management’s analysis of geographic distribution.

As noted in the description of the assessment area, there is only one low-income census tract in the bank’s assessment area. This census tract is in Wheeling. In January 1996, the bank opened a branch that is within 4 miles of this low-income census tract. The lack of loan penetration in this tract is mitigated given the recent opening of the closest branch and the high level of competition.

For 1995, a total of 331 HMDA reported loans totaling \$18,001,000 were originated by BNB. Of these, 314 loans (94 percent) totaling \$16,828,000 were within the bank’s assessment area. Detail on the distribution of HMDA loans by tract category and applicant income follows.

1995 HMDA Originations by Census Tract/Block Numbering Area				
	MSA	Tuscarawas	Harrison	TOTAL
Low-income	0 /\$0	0 /\$0	0 /\$0	0 / \$0
Moderate-inc.	7 /\$150,000	26 /\$1,389,000	11 /\$316,000	44 /\$1,855,000
Middle-income	78 /\$2,769,000	88 /\$6,090,000	38 /\$2,201,000	204/\$11,060,000
Upper-income	66/ \$3,913,000	0 /\$0	0 /\$0	66 /\$3,913,000
TOTAL	151 /\$6,832,000	114 /\$7,479,000	49 /\$2,517,000	314/\$16,828,000

HMDA loan origination distribution by census tract/block numbering area is acceptable. The loan distribution mirrors the overall census tract/block numbering area characteristics of the bank’s assessment area. There is one low-income census tract in the MSA and none in Tuscarawas or Harrison Counties. There are no upper-income block numbering areas in Tuscarawas or Harrison Counties.

1995 HMDA Originations by Applicant Income				
	MSA	Tuscarawas	Harrison	TOTAL
Low-income	9 /\$242,000	5 /\$159,000	8 /\$181,000	22/ \$582,000
Moderate-inc.	22 /\$612,000	12 /\$489,000	12 /\$263,000	46 /\$1,364,000
Middle-income	37 /\$1,202,000	30 /\$1,913,000	13 /\$447,000	80/\$3,562,000
Upper-income	83/ \$4,776,000	67 /\$4,918,000	16 /\$1,626,000	166/\$11,320,000
TOTAL	151 /\$6,832,000	114 /\$7,479,000	49 /\$2,517,000	314/\$16,828,000

Lending distribution for 1995 by applicant income is appropriate. BNB lent to individuals in all income categories. More loans in numbers and dollars were made to middle- and upper-income individuals. Based on our review of applications, low-income applicants had more credit problems.

For the first five months of 1996, BNB originated 104 HMDA loans totaling \$5,457,000. Of these, 99 loans (95 percent) totaling \$5,075,000 were within the bank's assessment area. Detail on the distribution of HMDA loans by census tract category and applicant income follows.

1996 HMDA Originations by Census Tract/Block Numbering Area				
	MSA	Tuscarawas	Harrison	TOTAL
Low-income	0 /\$0	0 /\$0	0 /\$0	0/ \$0
Moderate-inc.	1 /\$8,000	8 /\$432,000	3 /\$57,000	12 /\$497,000
Middle-income	30 /\$1,618,000	24 /\$1,295,000	10 /\$350,000	64/\$3,263,000
Upper-income	23/ \$1,312,000	0 /\$0	0 /\$0	23 /\$1,312,000
TOTAL	54 /\$2,938,000	32 /\$1,727,000	13 /\$410,000	99/\$5,075,000

For the first five months of 1996, HMDA loan origination distribution by census tract is acceptable. The loan distribution mirrors the overall census tract characteristics of the bank's assessment area. There is one low-income census tract in the MSA. There are no low- or upper-income block number areas in Tuscarawas or Harrison Counties.

1996 HMDA Originations by Applicant Income				
	MSA	Tuscarawas	Harrison	TOTAL
Low-income	1 /\$8,000	0 /\$0	1 /\$16,000	2/ \$24,000
Moderate-inc.	4 /\$95,000	5 /\$207,000	5 /\$79,000	14 /\$381,000
Middle-income	11 /\$373,000	16 /\$793,000	0 /\$0	27/\$1,166,000
Upper-income	38/ \$2,462,000	11/\$727,000	7 /\$315,000	56 /\$3,504,000
TOTAL	54 /\$2,938,000	32 /\$1,727,000	13 /\$410,000	99/\$5,075,000

For the first five months of 1996, distribution by applicant income is appropriate. BNB lent to individuals in all income categories. More loans in numbers and dollars were made to middle- and upper-income individuals. Based on our review applications, low-income applicants had more credit problems.

We reviewed bank management's analysis of 1995 small loans to small businesses. The level of small loans (less than \$1 million) to small businesses (revenues less than \$1 million) within the assessment area is good. The majority of 1995 commercial lending was to small businesses. BNB originated a grand total of 381 loans totaling \$30,496,000 in the commercial portfolio in 1995; 317 of these were small loans to small businesses totaling \$19,500,000. Ninety two percent of these loans to small businesses, totalling \$17,331,000, were within the bank's designated assessment area.

Additionally, the 1995 volume of small loans to small businesses compares favorably with the overall level of the commercial loan portfolio which totaled \$50,533,000 at year end 1995.

1995 Small Loans to Small Businesses				
Loan Size	MSA	Tuscarawas	Harrison	TOTAL
>\$100K	165/\$4,667,000	38/\$1,926,000	36/\$699,000	239/\$7,292,000
\$100K<\$250K	34/\$4,829,000	4/\$497,000	6/\$986,000	44/\$6,312,000
\$250K<\$1,000 K	6/\$2,582,000	1/\$575,000	2/\$570,000	9/\$3,727,000
TOTAL	205/\$12,078,000	43/\$2,998,000	44/2,255,000	292/\$17,331,000

Business lending is reasonably distributed by geography. The majority of small loans to small businesses are within the MSA. The MSA portion of the bank's assessment area has more

industries and population than Tuscarawas and Harrison Counties. Information for 1996 small loans to small business was unavailable at the time of our review.

Community development lending is acceptable. Management provided information on five community development loans made within the assessment area since our last Public Evaluation dated October 31, 1993, and not included within the prior discussion of the lending test. These five loans total \$575,000.

BNB has no qualified investments under this test. No traditional investments that qualify as community development investments have originated in the bank's assessment area since our last Public Disclosure. In addition, BNB did not make any donations or grants to organizations that have community development goals. However, we found two community development corporations that have recently begun to have financial institution involvement in their efforts. Our rating of this area reflects the lack of qualified investment opportunities in BNB's assessment area.

BNB has eleven branches in its designated assessment area. Services and hours are similar throughout the assessment area. Since our last Public Evaluation, one branch has opened and one branch relocated. Branches are located in Bridgeport, Cadiz, Jewett, Lansing, St. Clairsville (2), Shadyside, New Philadelphia (3) and Wheeling. The Wheeling branch is in West Virginia and the remaining offices are in Ohio. BNB has automated teller machines adjacent to the Broadway/New Philadelphia and the Ohio Valley Mall/St. Clairsville branches. As there are very limited mass transit services within the assessment area, private automotive transportation is widespread. Branches are accessible to low- and moderate-income individuals and geographies.

We found no violations of the substantive provisions of the antidiscrimination laws and regulations. We reviewed a sample of each of the bank's HMDA reported loan products to determine compliance. Fair lending training and policies are sufficient.

MULTISTATE MSA

CRA RATING FOR Wheeling WV - Ohio: Satisfactory

The Lending Test is rated: Low Satisfactory The Investment Test is rated: Low Satisfactory The Service Test is rated: Low Satisfactory

BNB's lending activity and geographic distribution within the MSA is reasonable. Applications were received from throughout the MSA. BNB has six branches in the MSA, with no differing levels of services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WHEELING WV - OHIO:

Management provided information on four community development loans, made in the MSA since our last CRA Public Evaluation dated October 31, 1993. These four loans totaling \$508,000 were made to: rehabilitate a community group's low-income housing units; purchase a home that low-income developmentally disabled individuals rent and live in independently; purchase and renovate buildings for low-income senior citizens' rental units; and finance a museum project that is required to hire from its local low- and moderate-income area.

BNB has six branches within the MSA: five are in Belmont County and one is in Ohio County. The bank does not have a branch in Marshall County. Of the six MSA branches, three are in middle-income census tracts and three are in upper-income census tracts. The bank has one automated teller machine operating in the MSA. Services and hours are similar throughout the MSA assessment area.

Although no branches are in low- or moderate-income census tracts, the existing branches are in centralized locations that are accessible to low- and moderate-income individuals. The majority of the MSA's census tracts are categorized as middle- and upper-income.

The Ohio County/Wheeling branch opened in January 1996. It is in an upper-income census tract. There have been no branches closed or relocated in the MSA since our last CRA Public Evaluation dated October 31, 1993.

BNB's community development services consist of offering the Wheeling branch's conference room to local groups for meetings and to provide community-based organizations reduced rate asset management trust services.

NON-METROPOLITAN STATEWIDE AREAS

CRA RATING FOR Harrison and Tuscarawas Counties: Satisfactory
The Lending Test is rated: Low Satisfactory The Investment Test is rated: Low Satisfactory The Service Test is rated: Low Satisfactory

BNB's lending activity and geographic distribution within Harrison and Tuscarawas Counties is reasonable. BNB has five branches in this non-MSA area, with no differing levels of services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN HARRISON AND TUSCARAWAS COUNTIES:

Management provided information on a community development loan, made in the non-MSA since our last CRA Public Evaluation dated October 31, 1993. This loan, totaling \$67,000 was made to purchase and rehabilitate a facility to provide medical services to rural area low- and moderate-income individuals.

BNB has five branches operating in the non-MSA assessment area. Two branches are in Harrison County. Three branches are in Tuscarawas County. Of the five non-MSA branches, two are in moderate-income block numbering areas and three are in middle-income block numbering areas. There are no block numbering areas categorized as low- or upper-income in Harrison and Tuscarawas counties.

One automated teller machine operates in the non-MSA assessment area. Services and hours are similar throughout the non-MSA area. The Wabash/New Philadelphia branch is a drive-up facility. A full service branch is within two miles.

The Harrison County/Cadiz branch relocated in January 1995. The branch moved less than two miles and remained within the same moderate-income block numbering area. No branches have been closed or opened in the non-MSA assessment area since our last CRA Public Evaluation dated October 31, 1993.

Community development services consist of reduced rate asset management trust services to community-based organizations.

SCOPE OF EXAMINATION

Our examination included an on-site review of the entire assessment area designated by BNB. We reviewed the following lending products: purchase money mortgages; home improvement loans; mortgage refinance loans; home equity loans; and small loans to small businesses.

NOTE: 1990 Demographic and census/block numbering area data provided by CRA WIZ, PCI Services, Inc.