



PUBLIC DISCLOSURE

December 3, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Williamstown National Bank
Charter Number #11483**

**435 Highland Avenue
Williamstown, West Virginia 26187**

**Office of the Comptroller of the Currency
Administrator of National Banks
West Virginia Field Office
100 Capitol Street
Security Building - Suite 400
Charleston, West Virginia 25301**

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.

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 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 *The Williamstown National Bank* prepared by the *Office of the Comptroller of the Currency*, the institution's supervisory agency, as of September 30, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

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

The Williamstown National Bank (WNB) has met or exceeded the standards for satisfactory performance for each of the following assessment criteria: loan to deposit ratio, lending within the assessment area, lending to borrowers of different incomes and to businesses of different sizes, and geographic distribution of loans. This evaluation is based on information from September 30, 1995 through September 30, 1998.

The following table indicates the performance level of *The Williamstown National Bank* with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	THE WILLIAMSTOWN NATIONAL BANK'S PERFORMANCE LEVELS		
	<u>Exceeds</u> Standards for Satisfactory Performance	<u>Meets</u> Standards for Satisfactory Performance	<u>Does Not Meet</u> Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	The bank has not received any CRA related complaints since our previous CRA examination.		

DESCRIPTION OF INSTITUTION

WNB is a \$69 million community bank with its main office located in Williamstown, WV. WNB also operates a full service branch in Parkersburg, WV. Both offices have drive-through facilities and automated teller machines.

As of September 30, 1998, net loans represented approximately 69% of total assets. WNB's loan portfolio consists of 44% real estate loans, 40% consumer loans, and 16% commercial loans. WNB offers a variety of loans including personal loans with no minimum loan amount, residential real estate loans, home improvement and construction loans, as well as business loans, including SBA loans. The bank also accommodates customers who need more flexible credit terms by offering credit card applications through a local issuing bank. There are no financial conditions, legal constraints, or other conditions that would hinder the bank's ability to help meet the credit needs of its assessment area. WNB's CRA performance was last evaluated in October 1995, and was rated satisfactory.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area (AA) consists of the Parkersburg/Marietta metropolitan statistical area (MSA). This MSA encompasses Wood County, West Virginia and Washington County, Ohio. The AA does not arbitrarily exclude low- and moderate-income geographies. The AA includes 45 census tracts*. There are no low-income tracts within the AA, however, there are 9 moderate-income tracts. Six of these moderate tracts are in Wood County while 3 are in Washington County. The remaining 36 tracts are designated as either middle- or upper-income.

The income levels of the various families in the AA are as follows: low-income (21%), moderate-income (18%), middle-income (22%), and upper-income (39%). The 1998 updated HUD MSA median family income** equaled \$38,600. Based on 1990 census data, Wood and Washington Counties had a population of 149,169. Thirty percent of the households in the AA receive social security income while 8% receive some other type of public assistance.

The AA's economy is stable and loan demand is good. Major employers include Dupont, General Electric, Walker Systems, Fenton Glass Company, and county educational systems.

Banking within the AA is competitive as there are numerous financial institutions to meet local credit needs. These banks consist of various community banks and branches of regional and nonlocal multinational banks.

* A census tract is defined by the Bureau. It describes a geographic area within a county.

** The term median family income describes the median income earned by people sharing a home that are related by birth, marriage, or adoption.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

◆ **Loan to Deposit Ratio**

WNB's loan to deposit ratio is reasonable. During the 13 quarters from September 30, 1995 through September 30, 1998, WNB's net loan to deposit ratio averaged 78%. The net loan to deposit ratio of three similarly situated community banks in the AA as of June 30, 1998 ranged from 76% to 111%.

◆ **Lending in Assessment Area**

A substantial majority of the bank's lending activity is within the AA. In order to determine this, we reviewed all Home Mortgage Disclosure Act (HMDA) reportable loans, which include home purchase, home improvement, and refinances, originated from January 1998 through September 1998. This included 99 loans. The following table represents WNB's lending within their AA.

Number of Loans Originated Within the AA		
HMDA reportable loans originated within the AA	HMDA reportable loans originated outside the AA	Percentage of total loans within the AA
89	10	90%

◆ **Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

WNB's lending to borrowers of different income levels is reasonable. We determined this by reviewing all home improvement loans originated within the AA from January 1998 through our examination date. This sample consisted of 56 loans. The following table illustrates WNB's penetration of loans to individuals within each income level.

Percentage of the Number of Loans to Individuals of Different Income Levels Within the AA		
Income Level	Families in the AA	Home Improvement Loans originated within the AA
Low	21%	29%
Moderate	18%	34%
Middle	22%	28%
Upper	39%	9%
Total	100%	100%

The bank's level of lending to businesses of different sizes is reasonable, as well as consistent with the number of small businesses in the AA. By using the size of loans as an indicator of business size, we found that all of the commercial loans originated during the first 6 months of 1998 were for amounts less than \$1 million. Additionally, 67% of these loans were for amounts less than or equal to \$100,000. The dollar amount of the loans reviewed ranged from \$15,000 to \$393,000.

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 9 moderate-income tracts. Based on the housing related loans originated during 1998, 2 moderate income tracts did not have loan activity. One tract is in a business area with few housing loan opportunities and the other tract is in Marietta, OH, which is heavily banked by competition.

◆ Response to Complaints

WNB has not received any CRA related complaints since the prior CRA evaluation.

◆ Compliance with Antidiscrimination Laws and Regulations

A fair lending examination was performed in conjunction with our CRA evaluation. This examination was performed to determine if any disparate treatment to any prohibited basis groups had been conducted. This portion of the examination focused on rates, terms, fees, etc. of all home improvement loans made during the first 9 months of 1998. No violations of the substantive provisions of antidiscrimination laws and regulations were identified.