



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

July 11, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Progressive Bank, N.A.
Charter # 16248**

**1701 Warwood Avenue
Wheeling, West Virginia 26003**

**Office of the Comptroller of the Currency
Charleston Duty Station
100 Capitol Street
Suite 400
Security Building
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.

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 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 CRA performance of **Progressive Bank, N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **June 30, 1997**. 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**.

Progressive Bank, N.A. originated loans to individuals of different income levels throughout their assessment areas. A substantial majority of the bank's lending activity is within the assessment areas and the level of lending is reasonable given the bank's size, financial condition, and the credit needs of these communities. This evaluation is based on information for the time periods September 30, 1994 through June 30, 1997.

The following table indicates the performance level of **Progressive Bank, N.A.** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	PROGRESSIVE BANK, N.A. PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet 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	NA - Progressive Bank, N.A. has not received any CRA related complaints since their last evaluation.		

DESCRIPTION OF INSTITUTION

Progressive Bank, N.A. (which changed its name from First West Virginia Bank, N.A. in November 1995) is a \$106 million community bank which has been in existence since 1911. The bank is a subsidiary of First West Virginia Bancorp, Inc., a three bank holding company which is headquartered in Wheeling, West Virginia. Progressive Bank, N.A. (Progressive) operates four full service offices. These consist of its main office located in Warwood, and branches in Woodsdale, Wellsburg, and Moundsville. The bank also operates four automated teller machines.

Progressive offers a variety of consumer, residential real estate, and commercial loans. These include small dollar secured and unsecured consumer loans, credit cards, fixed and variable rate mortgages with down payments as low as 5%, and business loans guaranteed by the Small Business Administration. As of March 31, 1997, Progressive's loan portfolio contained the following loan types: residential real estate loans (33%), commercial loans (49%), and consumer loans (18%).

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 areas. Progressive's CRA performance was last evaluated in July 1994 and was rated satisfactory.

DESCRIPTION OF ASSESSMENT AREAS (AAs)

Progressive has two AAs. The first includes Belmont County in Ohio, and Marshall and Ohio Counties, in West Virginia. These three counties are located in the Wheeling-Bridgeport Metropolitan Statistical Area (MSA). Progressive operates three offices in Marshall County and Ohio County and is affiliated with a bank operating in Belmont County which is to be merged into Progressive in August 1997. This AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate- income geographies. The AA includes 49 census tracts.¹ One of these tracts is designated as a low-income tract. Eight tracts are designated as moderate-income tracts. The remaining tracts are middle- and upper- income tracts.

The U.S. Department of Housing and Urban Development estimated the median family income² in this AA, in 1996, was \$32,700. Based on 1990 Census data, this AA has a population of 62,858. Nine percent of the population receives public assistance and 16% live below the poverty level.

¹A census tract is an area defined by the Bureau of the Census for information gathering purposes.

² The term "median family income" is the income earned by people sharing a home that are related by birth, marriage, or adoption.

As of March 31, 1997, the unemployment rate was 7.9% and rising. Major employers include county educational systems, Wheeling Hospital, Kroger Company, Consolidated Coal, and area steel mills. Approximately 4,500 employees have been on strike against Wheeling-Pitt Steel for eight months. These individuals are not reflected in these unemployment numbers.

The bank's second AA is Brooke County, West Virginia. This county is located in the Weirton-Stuebenville MSA. Progressive operates one office in this AA. This AA also meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies. The AA includes 9 census tracts. One tract is designated as a moderate-income tract. The remaining tracts are middle- and upper- income tracts.

The U.S. Department of Housing and Urban Development estimated the median family income in this AA, in 1996, was \$33,300. Based on 1990 Census data, this AA has a population of 10,131. Five percent of the population receives public assistance and 12% live below the poverty level.

As of March 31, 1997, the unemployment rate was 13.0%, double the unemployment rate one year ago. Steel mills and the county school system are the major employers in this area.

Banking within these AAs is competitive. There are main offices or branches of numerous community banks, savings institutions, mortgage companies, and regional and multinational banks within the bank's trade area. Community contacts in both AAs indicated programs to assist new or expanding businesses, flexible and creative housing loan products, and small consumer loans were the community's primary credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

▶ Loan to Deposit Ratio

Progressive's loan to deposit ratio is reasonable, especially given the competitive environment in which the bank operates. Between September 30, 1994 and March 31, 1997, Progressive's loan to deposit ratio increased from 57% to 63%, with an average loan to deposit ratio of 62%. We weighed this level of lending with the ratios of other banks in the AAs and found this ratio to be comparable.

▶ Lending Within the AAs

A substantial majority of the bank's lending activity is within its AAs. To determine this, we analyzed the locations of all housing related loans originated in 1996. We found 95% of the bank's housing related loans were within its AAs. We also reviewed a sample of unsecured consumer loans

made between September 30, 1996 and March 31, 1997 and found 98% were within the AAs. In addition, we analyzed information compiled by the bank and found 84% of all of the bank's loans (housing related, consumer, and commercial) made in 1996 were within their AAs.

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

Progressive lends to borrowers of different income levels. We determined this by analyzing the income levels of all borrowers who obtained housing-related loans in 1996. We also reviewed borrowers' income levels within a sample of unsecured, consumer loans originated between September 30, 1996 and March 31, 1997. The following tables demonstrate the bank's performance regarding lending to borrowers of different income levels within each AA.

Percentage of the Number of Loans to Individuals of Different Income Levels Within Belmont, Ohio, and Marshall Counties			
Income Level	Families in the AA	Consumer Loan Sample	Housing Related Loans
Low	20%	19%	13%
Moderate	18%	36%	25%
Middle	22%	14%	23%
Upper	40%	31%	39%
Total	100%	100%	100%

Percentage of the Number of Loans to Individuals of Different Income Levels Within Brooke County			
Income Level	Families in the AA	Consumer Loan Sample	Housing Related Loans
Low	16%	67%	34%
Moderate	17%	8%	21%
Middle	25%	8%	18%
Upper	42%	17%	27%
Total	100%	100%	100%

Progressive's level of lending to businesses of different sizes is consistent with the number of small businesses in the AAs. By using the size of loans as an indicator of business size, we found all of the commercial loans originated in the first three months of 1997 were for amounts less than \$1 million. In addition, 87% of these loans were for amounts less than \$100,000. The dollar amount of the loans reviewed ranged from \$5,000 to \$325,000.

Also, Progressive originated 14 commercial loans through the Small Business Administration guarantee program in 1996. The loan amounts ranged from \$27,000 to \$522,000 and totaled \$1,364,000.

► **Geographic Distribution of Loans**

The geographic distribution of Progressive's lending activity in 1996 reflected a reasonable dispersion of loans throughout the AAs based on our sample of housing related loans. The bank's lending pattern does not exhibit any conspicuous, unexplainable gaps. The AAs contain one low-income census tract and nine moderate-income census tracts.

► **Response to Complaints**

No complaints were received since the prior CRA evaluation in July 1994.

▶ **Compliance with Antidiscrimination Laws and Regulations**

A fair lending examination was performed in conjunction with our CRA evaluation. No violations of the substantive provisions of antidiscrimination laws and regulations were identified.