



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 22, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Progressive Bank, National Association-Buckhannon
Charter Number 21144**

**West Main And Locust Streets
Buckhannon, WV 26201**

**Comptroller of the Currency
Western Pennsylvania-Pittsburgh Field Office
4075 Monroeville Boulevard Building 2, Suite 300
Monroeville, PA 15146**

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.

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INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

The primary factors supporting the overall rating are:

- The bank's average loan-to-deposit ratio for the prior 16 quarters is reasonable. It exceeds the average loan-to-deposit ratio of peer banks in its assessment area.
- The majority of the bank's loans are originated in its assessment area.
- There have been no complaints received regarding the bank's CRA performance.

DESCRIPTION OF INSTITUTION

Progressive Bank, N.A.-Buckhannon ("PBNA") is a \$36 million intrastate bank headquartered in Buchannon, West Virginia. The bank is an affiliate of First West Virginia Bancorp, Inc., a \$219 million two-bank holding company headquartered in Wheeling, West Virginia. The other bank subsidiary is Progressive Bank, N.A. headquartered in Wheeling, West Virginia. PBNA operates two branches in the communities of Buckhannon and Weston. Primary lending products are residential mortgage loans and consumer loans. Gross loans totaling \$23 million were comprised of the following:

LOAN PORTFOLIO COMPOSITION AS OF 12-31-2001		
	\$ (000)	Percentage
Loans to Individuals	6,712	29%
Residential Real Estate	10,236	44%
Commercial Loans	767	3%
Commercial Real Estate	2,282	10%
Tax-Free Loans	3,076	14%
Other Loans	54	Less than 1%
TOTAL LOANS	23,127	100%

There are no financial or legal impediments to the bank's ability to help meet the credit needs of its assessment area. PBNA was rated "Satisfactory" at its last CRA examination dated January 6, 1998.

Description Of Assessment Area

The bank has identified Upshur and Lewis counties as its assessment area (AA). The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. The bank has one branch office in each county. The AA is located in a non-MSA in central West Virginia. The AA is comprised of 11 block numbering areas (BNAs). Ten of the BNAs are classified as middle-income and one BNA is classified as upper-income. There are no low- or

moderate-income BNAs in the AA. The 2001 HUD updated statewide median family income for a non-MSA area is \$31,000. The poverty level in the AA is high at 21.62 percent.

The population of the AA is 40,090 as of the 1990 census. Owner-occupied housing units comprise 64 percent of total housing units. The median housing cost in the AA is \$44,857. The cost of housing combined with the high poverty level inhibits low-income families from purchasing homes in the AA.

Economic conditions in the AA are considered to be stable. School districts, local colleges and small businesses provide the primary sources of employment. Timber, plastics and natural gas production are the major industries in the area. The average unemployment rates in Upshur and Lewis counties are 5.3 percent and 5.9 percent, respectively, for the year 2001. The state unemployment rate for the same period was 4.9 percent.

A community contact was held with an economic development agency. No particular credit need was identified.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's loan-to-deposit (LTD) ratio is reasonable. The quarter average LTD for the 16 quarters since the previous CRA examination is 68.81 percent. This compares favorably to the quarter average LTD ratio of 63.24 percent for peer banks over the same period. The LTD ratio for the bank was compared with two banks headquartered in the AA with total assets between \$100 - \$120 million.

Lending in Assessment Area

The majority of the sampled loans are originated within the AA. A random sample was taken of the bank's primary loan types-residential real estate loans and consumer loans. A review of the bank's *Call Report* for December 31, 2001 identified residential real estate loans and consumer loans as comprising seventy-three percent of the total loan portfolio. Residential real estate loans were not separated among home mortgage, refinance, and home improvement loans because the volume of these loans are insufficient to make a separate analysis meaningful. Refer to the table below for the distribution of loans inside of the AA.

	INSIDE ASSESSMENT AREAS	OUTSIDE ASSESSMENT AREAS
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	# Loans	\$(000)	# Loans	\$(000)
Home Mortgage Loans	22	1,103	4	71
Consumer Loans	18	278	6	91
Total Volume	40	1,381	10	162
Total Percentages	80%	90%	20%	10%

Source: Bank Records

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

PBNA's record of lending to borrowers of different incomes reflects a poor penetration among low- and moderate-income individuals. Management states that the bank receives a low volume of loan applications from low- and moderate-income individuals. It is suggested that the bank make stronger efforts to communicate its willingness to lend to low- and moderate-income individuals in its AA. The high level of poverty in the AA combined with the median cost of housing precludes the majority of low-income families from being able to borrow. The percentage of home mortgage loans originated to moderate-income individuals is well below the percentage of moderate-income families in the AA.

Borrower Distribution of Residential Loans					
Income Level of Borrower	# of Loans	% of # of Loans	\$(000) of Loans	% of \$ of Loans	% of Families by Income Level
Low	2	9	31	3	23
Moderate	1	5	32	3	17
Middle	8	36	297	27	21
Upper	11	50	743	67	39
Total	22	100	1,103	100	100

Source: Bank records

The bank demonstrates a reasonable level of consumer loans originated to moderate-income individuals. None of the sample consumer loans were originated to low-income individuals.

Borrower Distribution of Consumer Loans					
Income Level Of Borrower	# of Loans	% of # of Loans	\$ (000) of Loans	% of \$ of Loans	% of Families by Income Level
Low	0	0	0	0	23
Moderate	7	35	119	37	17
Middle	5	25	58	18	21
Upper	8	40	145	45	39
Total	20	100	322	100	100

Source: Bank records

Geographic Distribution of Loans

An analysis of the geographic distribution of loans in the assessment area was not meaningful. There are no low- or moderate-income geographies in the assessment area.

Responses to Complaints

There were no complaints received since the prior CRA examination.

Fair Lending Review

An analysis of public comments and consumer complaints from 1998 through 2001 was performed according to the OCC's risk-based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in 1995.