

PUBLIC DISCLOSURE

November 16, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Greenville
497020
P. O. Box 119
Greenville, West Virginia 24945

Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261

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.

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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 Bank of Greenville, Greenville, West Virginia, prepared by the Federal Reserve Bank of Richmond, the institution's supervisory agency, as of November 16, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 228.

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

The bank's loan-to-deposit ratio is considered reasonable given its financial capacity and demand for credit in the area. A substantial majority of loans analyzed were to residents of the assessment area. The institution's level of lending to low- and moderate-income borrowers is considered responsive to community credit needs. The bank's assessment area is

comprised entirely of middle-income block numbering areas. Therefore, a distribution analysis of lending to geographies of varying income levels was not considered in evaluating the institution's CRA performance.

DESCRIPTION OF INSTITUTION

The Bank of Greenville is headquartered in Greenville, West Virginia, and operates two offices located in Monroe County, West Virginia. As of September 30, 1998, the bank had assets of approximately \$19 million of which 60% were loans. Various deposit and loan products are available through the institution, including loans for residential mortgage, consumer, business, and agricultural purposes. The loan portfolio as of September 30, 1998 was comprised of the following: 66% real estate secured (consumer and business purposes), 29% consumer, and 5% commercial/agricultural. Based on the number and dollar amounts of loans extended since the previous examination, consumer instalment loans were identified as the principal credit product offered by the bank. Residential real estate loans were also included in the analysis. The institution's previous CRA rating was outstanding.

DESCRIPTION OF ASSESSMENT AREA

The institution's assessment area encompasses portions of Monroe and Summers Counties, West Virginia, and is located in the southeastern region of West Virginia. The area consists of three middle-income block numbering areas (BNAs 9502, 9503 and 9506). There are no low-, moderate-, or upper-income geographies within the assessment area.

According to the 1990 census data, the assessment area has a population of 15,157 and a median housing value of \$41,152. The owner-occupancy rate of 65% is the same as that of nonmetropolitan areas of West Virginia. The percentage of families below the poverty level for the assessment area is 17%. The 1997 median family income for nonmetropolitan areas of West Virginia is \$27,600.

The following table provides assessment area demographics by income level of families.

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Percentage of Area Families by Income Level	21%	19%	23%	37%	100%

The local economy is dependent on state governmental agencies, manufacturers, and agriculture and livestock production. The primary employers in the county include B.F. Goodrich, an aerospace materials plant; the Monroe County Public School System, and local government. As of September 1998, the unemployment rate was 4.0% for Monroe County and 6.8% for Summers County. The jobless rate for the State of West Virginia is 5.6%.

A community contact was made during the examination to further assist in evaluating the bank's CRA performance. The contact indicated that local financial institutions have been active in meeting area credit needs of small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN-TO-DEPOSIT RATIO

During a six-quarter period ending September 30, 1998, the quarterly average loan-to-deposit ratio for all banks headquartered in nonmetropolitan areas of West Virginia and of similar asset size to Bank of Greenville ranged from 62% to 69%. The bank's average loan-to-deposit ratio for the previous six quarters is 68% and is considered reasonable given the institution's size and financial capacity and the demand for credit. Since June 1997, total loans and deposits have increased by 10% and 8%, respectively.

LENDING IN ASSESSMENT AREA

To determine the institution's volume of lending within the assessment area, a sample of 88 of 158 consumer instalment loans extended during the previous six months was reviewed. In addition, a sample of 50 of 68 real estate loans extended during the previous year was reviewed. The lending distribution is represented in the following table.

Comparison of Credit Extended Inside and Outside of Assessment Area

	Inside Assessment Areas	Outside Assessment Areas	Total
Total Number of Loans	120	18	138
Percentage of Total Loans	87%	13%	100%
Total Amount of Loans (000's)	\$1,851	\$249	\$2,100
Percentage of Total Amount	88%	12%	100%

As illustrated above, a substantial majority of the number and dollar amounts of the sampled loans were provided to residents of the assessment area.

LENDING TO BORROWERS OF DIFFERENT INCOMES

The following charts illustrate the distribution of the 77 consumer instalment loans and the 43 real estate loans extended within the assessment area by income level of the borrower.

Distribution of Loans by Income Level of Borrower

Consumer Instalment Loans

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	25	17	20	15	77
Percentage of Total Loans	32%	23%	26%	19%	100%
Total Amount of Loans (000's)	\$51	\$47	\$84	\$52	\$234
Percentage of Total Amount	22%	20%	36%	22%	100%

When compared to the distribution of area families, the percentage of loans extended to low- and moderate-income borrowers (55%) substantially exceeds the proportion of low- (21%) and moderate-income (19%) families in the community. Furthermore, 42% of the dollar amounts of the loans were extended to these borrowers.

Real Estate Secured

	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Total Number of Loans	4	7	18	14	43
Percentage of Total Loans	9%	16%	42%	33%	100%
Total Amount of Loans (000's)	\$115	\$140	\$616	\$745	\$1,616
Percentage of Total Amount	7%	9%	38%	46%	100%

While real estate lending to moderate-income individuals (16%) approximates the percentage of such families (19%) for the area, lending to low-income borrowers (9%) is considered low to the proportion of low-income families (21%). Assessment area rents, however, are relatively affordable, with only 25% of renters having costs exceeding 30% of their income compared to the 36% of renters in the state with such costs exceeding income. The availability of this type of affordable housing may limit the demand for real estate lending to low-income borrowers. It should also be noted that mobile home loans not secured by real estate are included with the consumer instalment loans. Such loans provide an affordable housing option for low-income borrowers.

Overall, the distribution of consumer and real estate lending to borrowers of different incomes is considered more than reasonable relative to the estimated demand for these types of loans, using area demographics as a proxy.

GEOGRAPHIC DISTRIBUTION OF LOANS

As previously mentioned, the assessment area contains only middle-income BNAs. Accordingly, 100% of the number and dollar amount of loans within the market area were extended in these geographies. Therefore, the distribution of lending by income level of BNA was not considered in evaluating the institution's CRA performance.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS

No credit practices inconsistent with the substantive provisions of the fair housing and fair lending laws and regulations were identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending and credit activities.