



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

June 24, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Williamsburg National Bank
Charter Number 21929

P.O. Box 729

Office of the Comptroller of the Currency

Ohio Valley Field Office
440 South LaSalle Street, Suite 2700
Chicago, Illinois 60605

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 Community Reinvestment Act (CRA) performance of Williamsburg National Bank prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, as of June 24, 1996. 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 Record of Meeting Community Credit Needs”.

The primary factors supporting this rating include:

- o A substantial majority of the loans made between January 1, 1996 and June 30, 1996 were within the assessment area.
- o The distribution of lending within the assessment area is reasonable, with the majority of the loans being made in the Williamsburg and Corbin areas. These are the population and business centers of Whitley County.
- o Approximately 53% of the loans made during this period were to borrowers with low- and moderate-incomes.
- o The bank's loan to deposit ratio is within the range of the other bank's in the tri-county area.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>WILLIAMSBURG NATIONAL BANK</u> 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	No complaints were received since the last examination.		

DESCRIPTION OF INSTITUTION

Williamsburg National Bank (WNB) is a community bank with total assets of approximately \$34 million. The bank offers traditional banking products, focusing primarily on consumer credit needs. Over 60% of the bank's loan portfolio consists of one-to-four family residential loans with an additional 20% in consumer installment credits. The bank recently opened a separate drive through facility in the parking lot of its main office. WNB also operates a cash dispensing machine in an area business located near the interstate. The bank has no branches. WNB offers extended banking hours of 7:30 a.m. to 6:00 p.m. on weekdays and 8:00 a.m. to noon on Saturdays.

There are no constraints on WNB's ability to serve the credit needs of its assessment area. WNB is wholly owned by Williamsburg Bancorp, Incorporated. WNB is affiliated with several other banks in Kentucky through common ownership.

DESCRIPTION OF WHITLEY COUNTY

Management has defined the bank's assessment area as Whitley County. The bank's office is located in Williamsburg which is the county seat. Whitley County includes the southern portion of the Daniel Boone National Forest. This area is known for its recreational areas, including Cumberland Falls State Resort Park and several smaller parks. The northern portion of the county includes the city of Corbin. Corbin's city limits encompass parts of Whitley, Laurel and Knox counties.

Williamsburg is also the home of Cumberland College, a private four year liberal arts college. The college houses the Appalachian Center and Museum which provides an outlet for local craft sales.

The population of Whitley County was 33,326 according to 1990 census data. The county is comprised of eight Block Numbering Areas (BNAs). One is designated low-income, three are moderate-income, three are middle-income and one is upper-income. The bank's office is located in a moderate income BNA.

The Whitley County Board of Education is the area's largest employer. The employment base is otherwise diverse with a mix of manufacturing, service, mining, and construction jobs. As of February 1996, Whitley County had an unemployment rate of 7.9%. According to information provided by bank management, the unemployment rate in the other counties in Kentucky ranged from 1.9% to 13%. Per capita personal income in Whitley County is below state and national averages.

The primary needs in the assessment area are better paying jobs, more educational programs and affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan to deposit ratio

WNB's average loan to deposit ratio for the past 13 quarters was 68%. The ratio for the bank's similarly situated competitors ranged from 58% to 78% for the same period. WNB's loan to deposit ratio as of March 31, 1996 was 73% which is in line with a composite loan to deposit ratio of 71% for all financial institutions competing in the tri-county area.

Lending in Assessment Area

Management originates a substantial majority of the bank's loans within the assessment area. We performed an analysis of all loans originated from January 1, 1996 to June 30, 1996 using management reports that we tested for accuracy. Our analysis indicated that 88% of the number and 92% of the dollar amount of these loans were within the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Management collects income data which we were able to verify and use to substantiate that the bank is lending to people of all income levels. As reflected below, approximately 54% of the number of loans made in the first six months of 1996 were to borrowers with low- and moderate-incomes.

DISTRIBUTION OF ALL LOANS MADE BETWEEN JANUARY 1, 1996 AND JUNE 30, 1996

Borrower's Income Level Designation	Number of Loans	Percent of Total Loans Made	Dollar amount of Loans Made	Percent of Total Loans Made
Low-income	120	23.21%	\$430,433	6.97%
Moderate-income	157	30.37%	\$1,057,851	17.14%
Middle-income	108	20.89%	\$1,154,522	18.70%
Upper-income	132	25.53%	\$3,530,020	57.19%

All of the commercial and farm loans originated by WNB met the definition of small business or small farm loans.

Geographic Distribution of Loans

Management uses ZIP codes to track the geographic distribution of their lending. After verifying the accuracy of their reports, we were able to use them to approximate the lending in the various BNAs within Whitley County. Because the ZIP codes often covered portions of multiple BNAs, we were not able to segregate the volume of lending within low- and moderate- income BNAs. However, the table below demonstrates that the distribution of lending is reasonable and low- and moderate-income geographies are not excluded.

ZIP Code and Community	BNAs within the ZIP Code	Income Designation of the BNAs	Percent of Number of Loans Made in ZIP Code	Percent of Dollar of Loans Made in ZIP Code
40701 - Corbin	9801, 9802, 9803, 9804	Middle, Upper, Middle, Moderate	6.48%	8.65%
40702 - Corbin	Same as above	Same as above	1.51%	9.97%
40730 - Emlyn	9807	Moderate	4.10%	3.56%
40754 - Nevisdale	9807, 9808	Moderate, Low	0.44%	0.38%
40759 - Rockholds	9804	Moderate	8.42%	6.40%
40763 - Siler	9808	Low	2.38%	0.69%
40769 - Williamsburg	9804, 9805, 9806	Moderate, Moderate, Middle	75.59%	69.75%
40771 - Woodbine	9803	Middle	1.08%	0.60%

Response to Complaints

Neither the bank nor this office has received any complaints regarding WNB's lending practices.

Fair Lending

We did not identify any violations of the substantive provisions of the anti-discrimination laws and regulations.