



Comptroller of the Currency
Administrator of National Banks

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

May 17, 1996

Steel Valley Bank, N.A.
Charter # 14011
Main at Liberty Street
Dillonvale, OH 43917

Comptroller of the Currency
Cleveland-Independence Duty Station
Summit Office Park
3 Summit Drive, Suite 530
Independence, OH 44131

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 the its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution. Upon conclusions of such examinations, 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 Steel Valley Bank, N.A., Dillonvale, Ohio prepared by Office of the Comptroller of the Currency , the institution's supervisory agency, as of May 17, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR 25.

INSTITUTION'S CRA RATINGS: This institution is rated Satisfactory.

Steel Valley Bank, N.A. has provided a significant amount of credit throughout its assessment area during the period under review. Its Loan to Deposit percentage has consistently been above 60%, and has averaged 64.62% for the nine (9) quarters since our previous examination.

Based on a review of Home Mortgage Disclosure Act (HMDA) data, these loans have been made throughout the assessment area, both geographically and across income levels of applicants.

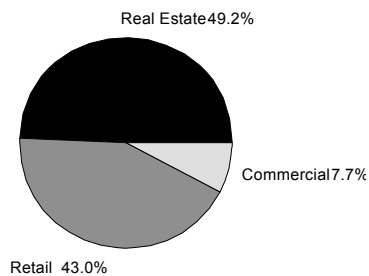
Small Institution Assessment Criteria	<u>STEEL VALLEY BANK, N.A.</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to Businesses of Different Size	X		
Geographic Distribution of Loans		X	
Response to Complaints	No Complaints Received since Previous Review		

DESCRIPTION OF INSTITUTION

Steel Valley Bank, N.A. (SVB) is an independently owned, retail focused bank, with its main office in Dillonvale, and branches in Tiltonsville and St.Clairsville in Ohio. All of these communities are located near the Ohio River in east central Ohio. SVB has approximately \$38,000,000 in assets, with substantial asset growth during 1995. SVB has been profitable for the previous three (3) years. It offers the normal range of products and services for similarly sized banks. Currently, the bank's loan portfolio reflects outstandings at \$25.5 million divided into real estate loans of \$12.7 million, retail loans of \$8 million and commercial loans of \$4.7 million. The bank's commercial loans are predominantly to small businesses. SVB is not presently an agricultural lender.

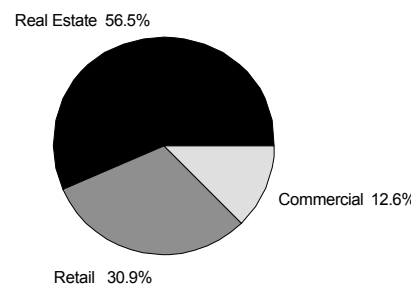
Loan Distribution of Steel Valley Bank, N.A.

as of December 31, 1994



Loan Distribution of Steel Valley Bank, N.A.

as of December 31, 1995



SVB has instituted three major changes in its product offerings since our previous reviews: a) it has begun selling residential purchase money mortgages into the secondary market; b) it has aggressively moved into originating guaranteed Small Business Administration (SBA) loans; and, c) it now offers credit cards.

DESCRIPTION OF ASSESSMENT AREA

The assessment area for Steel Valley Bank includes Belmont and Jefferson Counties in Ohio, and Ohio County in West Virginia.

The total population of this assessment area is just over 200,000. The two largest communities are Steubenville, OH and Wheeling, WV. Eighteen percent (18%) of the population is over 65 years of age. However, 37% of the households receive Social Security benefits. Most of the housing units in the area (65%) are single family, owner occupied units. The median housing value is \$38,700; for rental units, the median monthly gross rent is \$293.

The census tract characteristics of the area are as follows:

Census Tract Characteristics						
Tract Type	Count	%	Households	%	Total Rental Units	%
Low-Income	5	8%	2,876	4%	2,357	9%
Mod-Income	9	14%	6,824	9%	3,927	16%
Mid-Income	40	63%	57,577	72%	15,219	61%
High-Income	10	16%	12,796	16%	3,506	14%
Total	64	100%	80,073	100%	25,009	100%

Demographic information from Census Bureau data provided by CRAWiz (TM) PCI, Inc.

Steel Valley Bank’s branches are located within two MSA’s: #8080 Steubenville-Weirton OH-WV; and, #9000 Wheeling WV-OH. Additional detail specific to each MSA will be provided later in this Public Evaluation.

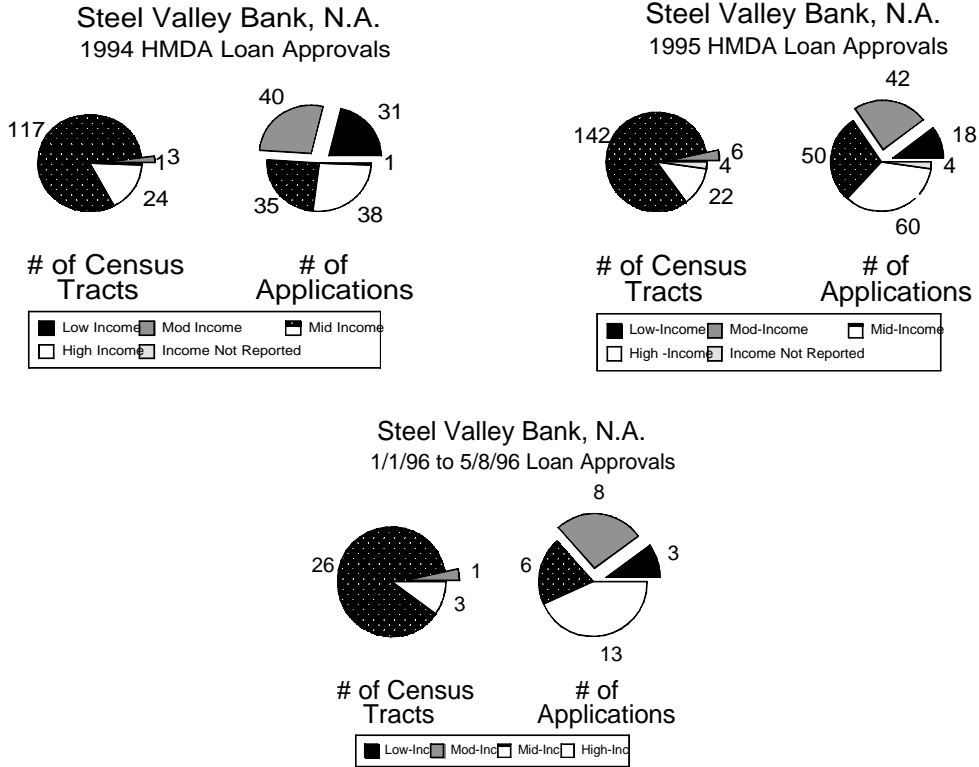
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Steel Valley Bank, N.A.’s loan-to-deposit ratio has been consistently above 60% since 1994, with an average of 65%. This average is comparable to the national peer average and is considered satisfactory. Lending in the assessment area is reasonable. Our sample of consumer credit, HMDA reportable loans, and a cursory review of the commercial portfolio indicates 90% of the loans are within the bank’s assessment area.

Since this is a HMDA reporting bank, we used the information provided in the Loan Application Register of real estate related credit to evaluate loan distribution. From the pie charts in Figure #1, it can be seen that the bank does not do a significant amount of lending in low-income census tracts. The vast preponderance of loans made are in middle-income census tracts. However, when the data is analyzed by the income level of the applicant instead of the census tract, a much more even distribution of loans is noted. The volume of loans made to low-income and to moderate-income borrowers is higher than the proportion of those persons in the assessment area as a whole.

As a part of this review, we conducted an examination of compliance with fair lending laws and regulations. We reviewed applications for home improvement loans received in the previous six (6) months. We found no evidence of disparate treatment between the approved and denied applicants. SVB has policies in place which mandate that all lending officers will operate within legal guidelines when making credit decisions.

HMDA Lending in Assessment Area (Figure #1)



HMDA information provided by bank

and from CRA Wiz (TM) PCI, Inc.

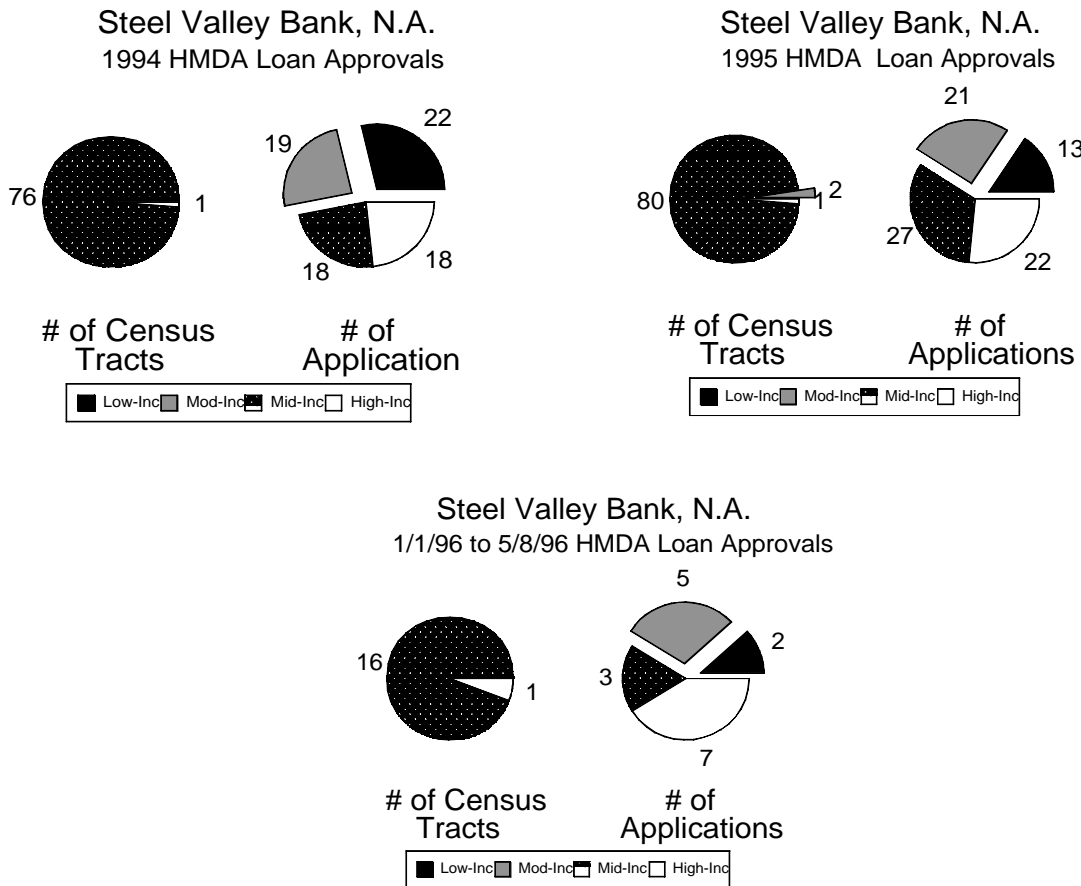
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA FOR MSA #8080 STEUBENVILLE-WEIRTON OH-WV

A) Assessment Area Information

Census Tract Characteristics						
Tract Type	Count	%	Households	%	Total Rental Units	%
Low-Income	4	17%	2,416	8%	1,893	21%
Mod-Income	3	13%	2,776	9%	771	9%
Mid-Income	14	58%	22,470	72%	5,320	59%
High-Income	3	13%	3,615	12%	1,041	12%
Total	24	100%	31,277	100%	9,025	100%

Demographic information from Census Bureau data provided by CRAWiz (TM) PCI, Inc.

B) Performance Information - HMDA Lending in the Steubenville-Weirton MSA (Figure #2)



HMDA information provided by bank and from CRA Wiz (TM) PCI, Inc.

C) Analysis and Conclusion

The pie charts in Figure #2 show that the bank’s HMDA lending is heavily concentrated in middle-income census tracts. However, when the data is analyzed by the income level of the applicant, the bank’s performance among all types of income levels is very strong. Analysis of the lending activity based on dollar volume leads to the same conclusion. Clearly, the bank is willing to meet the credit needs of low-income and moderate-income applicants. The low lending level in low-income and moderate-income census tracts is explained by the location of those tracts, which are in the northern part of Jefferson County, while the bank’s branches are in the southern part.

Our conclusion is that Steel Valley Bank’s performance in this MSA is Satisfactory.

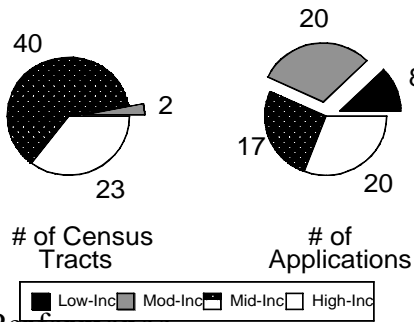
**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA
FOR MSA #9000 WHEELING WV-OH**

A) Assessment Area Information

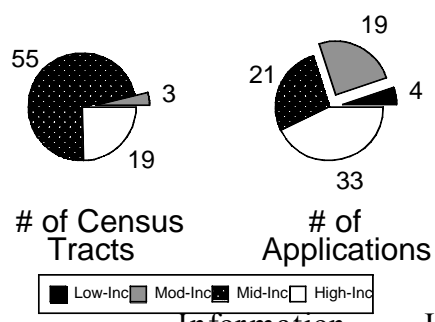
Census Tract Characteristics						
Tract Type	Count	%	Households	%	Total Rental Units	%
Low-Income	1	3%	460	1%	464	3%
Mod-Income	6	15%	4,048	8%	3,156	20%
Mid-Income	26	65%	35,107	72%	9,899	62%
High-Income	7	18%	9,181	19%	2,465	15%
Total	40	100%	48,796	100%	15,984	100%

Demographic information from Census Bureau data provided by CRA Wiz (TM) PCI, Inc

Steel Valley Bank, N.A.
1994 HMDA Loan Approvals
Belmont Co Ohio & Ohio Co West Va

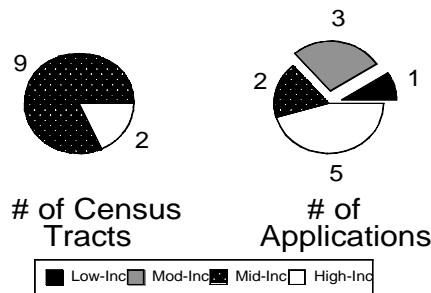


Steel Valley Bank, N.A.
1995 HMDA Loan Approvals
Belmont Co Ohio and Ohio Co West Va



B) Performance Lending in the #3)

Steel Valley Bank, N.A.
1/1/96 to 5/8/96 HMDA Loan Approvals
Belmont Co Ohio & Ohio Co West Va



Information - HMDA Wheeling MSA (Figure

C) Analysis and Conclusion

The pie charts in Figure #3 show again that SVB's HMDA reportable lending is concentrated in middle-income census tracts. However, when the same lending activity is analyzed by the income level of the applicant the bank's performance is strong. Analysis of the lending activity by dollar volume leads to the same conclusion. Clearly, the bank is willing to meet the credit needs of low-income and moderate-income applicants. The bank has not penetrated the one low-income census tract in this assessment area.

Our conclusion is that Steel Valley Bank's performance in this MSA is Satisfactory.