



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**June 26, 2000**

# **Community Reinvestment Act Performance Evaluation**

**Second National Bank  
Charter Number: 2992**

**449 S. Broadway Street  
Greenville, Ohio 45331**

**Office of the Comptroller of the Currency**

**Central District  
One Financial Place, 440 South LaSalle Street, Suite 2700  
Chicago, Illinois 60605**

**NOTE: This evaluation is not, and should not 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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## 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 **Second National Bank (SNB)** prepared by the **Office of the Comptroller of the Currency (OCC)** the institution's supervisory agency, as of **June 26, 2000**. The agency evaluates performance in assessment areas (AA), as they are delineated by the institution, rather than individual branches. This AA evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate**- Any company that controls, is controlled by, or is under common control by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development (CD)** Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Full-Scope Review** Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography**- A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Limited-Scope Review** Performance under the Lending, Investment and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

**Low-Income**- Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Statistical Area (MSA)** Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** -Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** -Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital-** The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income-** Income levels that are 120% or more of the MFI.

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated "**Satisfactory.**"

The following table indicates the performance level of **Second National Bank** with respect to the Lending, Investment, and Service Tests:

| Performance Levels        | Second National Bank<br>Performance Tests |                 |              |
|---------------------------|---|-----------------|--------------|
|                           | Lending Test*                             | Investment Test | Service Test |
| Outstanding               |   |                 | X            |
| High Satisfactory         | X   |                 |              |
| Low Satisfactory          |   | X               |              |
| Needs to Improve          |   |                 |              |
| Substantial Noncompliance |   |                 |              |

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- ◆ Lending levels that reflect good responsiveness by SNB to the credit needs of the AA;
- ◆ Good distribution of SNB's loans among geographies and among borrowers of different income levels throughout its AA;
- ◆ Adequate level of Investments;
- ◆ Excellent accessibility of SNB's offices to geographies and individuals of different income levels and good responsiveness of services to meet the needs of its AA; and
- ◆ Leader in providing community development services.

## Description of Institution

As of December 1999, Second National Bank (SNB) was a \$299 million intrastate institution headquartered in Greenville, Ohio. SNB has eight full-service offices and six ATMs throughout its AA. During the second quarter of 2000, SNB was acquired by Park National Corporation, Newark, Ohio. Park National Corporation is a \$2.7 billion holding company and the parent of four other banks. This acquisition did not alter the bank's lending and service area. Affiliate lending is not included in SNB's CRA performance.

The bank is not located in a metropolitan statistical area. SNB's assessment area (AA) consists of 16 block numbering areas in Darke and Mercer Counties. There are no low-income geographies designated in the bank's AA.

As of December 31, 1999, the bank's net loans represented 65% of total assets. SNB's loan portfolio consisted of 40% residential real estate, 23% commercial and commercial real estate loans, 23% farm and farm real estate loans, and 13% consumer loans and 1% other.

As of June 1999, 100% of SNB's deposits were derived from within its AA. SNB's deposits in the AA total \$242 million. The bank's Tier 1 capital was \$22.5 million that equates to a 7% tier 1-leverage ratio.

The bank is currently under no financial, legal, or regulatory impediments that limit its ability to help meet the credit needs of its assessment area.

SNB was rated "Satisfactory" at its last CRA evaluation dated September 30, 1996.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period of the Lending Test was October 1, 1996 through December 31, 1999. Community Development Loans, the Investment Test and the Service Test were evaluated for the period October 1, 1996 through June 26, 2000. These dates are based on the time period products were last reviewed for CRA purposes and the start date of the analysis phase of this CRA evaluation.

The bank is not subject to the Home Mortgage Disclosure Act (HMDA) that requires banks to track and report data on its home mortgage loans. Therefore, we reviewed the bank's loan originations and performed a random sample of the bank's two primary home mortgage products, home purchase and refinance loans. We did not sample home-improvement loans. Our initial sample of the bank's primary loan products, based on loans originated during this review period, consisted of 20 home purchase and 20 refinance loans. Due to the lack of loans to low-income borrowers and loans in the moderate-income geography, an additional sample of 40 loans for each loan product was taken. After loans outside of the bank's AA were excluded, we used the remaining 43 home purchase and 52 refinance loans for our geographic and borrower distribution analyses.

Market data on home mortgage lending and small business lending is typically used in the CRA Evaluation. In regards to SNB's home mortgages, there is no such market data available since the bank is not a HMDA Reporter. For general purposes of HMDA activity in the AA, we did look at the 1998 Peer HMDA data. As for small business lending, the latest available market comparison is 1998. However, geographic and lending to small businesses with revenues less than \$1 million market data for SNB was not included nor considered in the Evaluation due to inaccuracies in small business loans reported by SNB. Although the bank has made corrections, these corrections were made subsequent to the publishing of the 1998 Business Reporter data. The 1998 Business Reporter data is used for market data for overall small business lender activity in the AA and in its entirety for small farm lending.

Deposit market data compiled by the Federal Deposit Insurance Corporation is used in this analysis. The most recent and available information is as of June 1999. We used the data to obtain the bank's deposit levels by county.

## **Data Integrity**

During the first quarter of 2000, we reviewed CRA LAR to determine its accuracy. The review covered small loans to businesses originated during 1998 and 1999. We found a significant error ratio in the bank's CRA data. The bank made the necessary revisions to the 1998 and 1999 CRA LAR. During the onsite CRA examination, a follow up review of the CRA LAR revealed an additional problem with CRA reporting. The bank was incorrectly reporting loans secured by residential properties, primarily multifamily dwellings. The bank researched its small business loan records and identified those secured by residential real estate. We manually deleted these records from the bank's CRA LAR. The bank has implemented internal controls such as additional loan codes and automated geocoding process to ensure proper CRA reporting.

The number of small loans to businesses used in this Evaluation reflects adjusted data for the years 1998 and 1999. The bank did not correct its 1996 and 1997 data. The 1996 and 1997 small loans to businesses information was not used in this CRA Examination due to the unreliability of that data.

## **Selection of Areas for Full-Scope Review**

The bank has one AA, Darke County and portions of Mercer County, which received a full-scope review. Refer to Appendix A for additional information regarding full-scope review.

## **Ratings**

The bank's overall rating is based on performance in its AA. When determining conclusions for the Lending Test, home mortgage loans were weighed more heavily than small loans to businesses. The bank is primarily a consumer lender. Within home mortgage loans, refinance loans were weighed more heavily than home purchase loans. This weighing is reflective of SNB's loan volume by product type over the evaluation period, based on available loan origination data.

## **Community Contacts**

We performed two community contacts during the examination. Affordable housing and executive housing were identified as credit needs. Housing outside of the city of Greenville, particularly the rural areas, is hindered by the lack of water and sewer. This situation has hindered new housing in the smaller towns/villages in Darke County. Executive-type homes are needed to attract new business development to the area. Business needs that were identified include more small business lending by banks.

## **Fair Lending Review**

A comparative file analysis of home purchase loans was performed to determine compliance with antidiscrimination laws. The analysis consisted of comparing five "unmarried" applicants and 20 "married" applicants. All of the denied files contained appropriate support for denial. No violations of the substantive provisions of the antidiscrimination laws and regulations were identified.

### **Conclusions with Respect to Performance Tests**

#### **LENDING TEST**

The bank's performance under the Lending Test is rated "High Satisfactory".

#### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance in its AA is good.

#### **Lending Activity**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

SNB's lending volume is good.

In the AA, SNB is one of two banks that share the highest deposit market share, each having 16%. Looking at the small business market data for the AA, using the bank's 1998 CRA data used for this evaluation, we approximate SNB as the number two small business lender. In regards to small loans to farms, SNB is the number one lender with a 55% market share.

An analysis of SNB's home mortgage market rankings could not be performed. The only available home mortgage market comparison is available using HMDA data. However, SNB is not subject to HMDA reporting.

As of December 31, 1999, SNB's loan to deposit ratio was 82%. According to the Uniform Bank Performance Report, this ratio is favorable to peer banks. SNB's loan to deposit ratio has not undergone any major fluctuations over the past year. This ratio has been gradually trending upward.

## **Distribution of Loans by Income Level of the Geography**

### ***Home Mortgage Loans***

Refer to Tables 2 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is good. This is based on excellent performance in refinance loans and adequate performance in home purchases. The bank's home purchase performance was considered adequate in light of the demographics of the moderate- income geography.

Home purchase loan geographic distribution is adequate. Our random sample did not include any home purchase loans in the moderate- income geography. Although the bank's performance is less than the demographics, there were several mitigating factors. The bank's loan records indicated additional home purchase origination activity in this geography during the review period. Also, the demographics of the moderate- income geography indicate that within the moderate- income geography there is a high level of owner- occupied units (55%) and the area is fairly stable with average home sales activity. During 1998, 18 lenders made 25 home purchase loans in this geography. The data also showed that these lenders were primarily out-of-area large mortgage companies.

Refinance loan geographic distribution is excellent. The bank's portion of refinance loans in moderate- income geographies exceeds the portion of owner-occupied units in those geographies.

### ***Small Loans to Businesses***

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent.

The portion of small loans to businesses in the moderate- income geography significantly exceeds the percentage of businesses in those geographies.

### ***Small Loans to Farms***

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small loans to farms is good. SNB is the number one lender of small loans to farms in the AA and the number two lender of small loans to farms in the moderate- income geography in the AA.

The portion of small loans to farms in moderate- income geographies is less than but fairly consistent with the portion of farms in those geographies. The bank's market share for such loans in the moderate- income geography is somewhat below that of its overall market share for such loans. However, the bank's market share is reasonable given the demographics. The moderate- income geography has a limited number of farms, four farms that represent less than one percent of the total farms in the AA. Also, the Business Reporter for 1998 shows limited lending activity to farms in the moderate- income geography, 11 loans made by 13 lenders.

### ***Lending Gap Analysis***

SNB's home mortgage, small business and small farm lending was reviewed to determine any conspicuous gaps in lending. No conspicuous gaps were identified. The bank made at least one loan in each of the geographies in its AA.

### ***Inside/Outside Ratio***

A substantial majority of the home mortgage loans, small loans to businesses, and community development loans originated by SNB over the evaluation period were within its AA. The inside/outside ratio for home mortgage loans is based on the population of the initial loan sample. Eighty percent of the bank's home mortgage loans, 89% of the small loans to businesses and 100% of community development loans were made within its AA. Seventy-one percent of the bank's small loans to farms were originated within its AA.

## **Distribution of Loans by Income Level of the Borrower**

### ***Home Mortgage Loans***

Refer to Tables 7 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home mortgage loans is good. This is based on SNB's strong performance of refinance and good performance of home purchase loans to moderate- income borrowers. The bank's home purchase and refinance lending to low- income borrowers was considered adequate given consideration to the demographics of the AA.

Home purchase loan borrower distribution is adequate. The bank's portion of home purchase loans to low- income borrowers equates to less than three- quarters of the portion of families that are defined as such. However, there are mitigating circumstances. The bank's loan records indicated additional home purchase origination activity to low- income borrowers during the review period. Also, 1998 Peer HMDA data shows a limited number of home purchase loans made by all lenders to low- income borrowers in the AA.

During 1998, 14 lenders made 22 home purchase loans to low- income borrowers in the AA. The bank's ability to lend to low- income borrowers is hindered by a fairly high unemployment level that exceeds that of the State of Ohio's unemployment level and a high number of individuals living below the poverty level. Also, community organizations indicated there was a lack of affordable homes.

SNB's home purchase loan borrower distribution is positively affected by its good performance to moderate- income borrowers. The bank's portion of home purchase loans to moderate- income borrowers is near the portion of families that are defined as such.

Refinance loan borrower distribution is good. The bank's portion of refinance loans to low- income borrowers equates to less than three- quarters of the portion of families that are defined as such. However, the bank's loan records indicated additional refinance origination activity to low- income borrowers during the review period. Also, 1998 Peer HMDA data shows limited refinance originations by all lenders to low- income borrowers. During 1998 25 lenders made 55 refinance loans. SNB's refinance originations are positively affected by its portion of refinance loans to moderate- income borrowers which significantly exceeds the families that are defined as such.

### ***Small Loans to Businesses***

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of loans to small businesses is adequate. SNB is the number two lender of small loans to businesses. SNB's percentage of lending to businesses with revenues of \$1 million or less is lower but consistent with the percentage of businesses in the AA with revenues of \$1 million or less and the percentage of lending by the aggregate lenders in the AA. SNB has a significant percentage of loans that are small in size, amounts of \$100,000 or less.

### ***Small Loans to Farms***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

The borrower distribution of loans to small farms is excellent. SNB's percentage of lending to farms with revenues less than \$1 million is higher than the percentage of farms in the AA and extremely higher than the percentage of lending by the aggregate lenders in the AA. Also, the bank's market share of lending to farms with revenues of \$1 million or less is considerably higher than its market share for overall small farm lending. SNB has a significant percentage of loans that are small in size, amounts of \$100,000 or less.

### **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development (CD) lending.

CD lending had a positive impact on the Lending Test conclusions.

SNB's CD lending centered in economic development in the downtown area of the City of Greenville, Ohio, a moderate- income geography. The revitalization and stabilization of downtown Greenville is a major focus of the City of Greenville and the Downtown Greenville, Inc. Downtown Greenville, Inc. is a local economic development group formed to revitalize the downtown Greenville area. The bank made five CD loans totaling \$311 thousand. The following are details on those loans.

SNB made a loan for \$150 thousand to an economic development organization. These funds were used to stabilize the AA by developing an addition to the Whirlpool Manufacturing facility that houses an additional product line. This created additional jobs and Whirlpool employs a significant number of labor- related jobs that are feasible for low- and moderate- income persons.

SNB made four loans to two economic development organizations, three loans totaling \$141 thousand to one organization and one loan for \$20 thousand to the other. These monies went towards revitalization of the area and were used for improving streets and housing.

### **Product Innovation and Flexibility**

Product innovation and flexibility had a neutral impact on the Lending Test conclusions. SNB's flexible lending products include housing and economic development programs. The programs are not considered innovative.

SNB was the first bank in the city of Greenville to offer downtown businesses, primarily small businesses, low- interest loans. This is an attempt to foster downtown revitalization efforts. Revitalization is part of the City of Greenville and Downtown Greenville, Inc.'s plan to revitalize and improve the business district in Historic downtown Greenville. Currently no loans have closed under this program.

SNB participates with the Community Housing Improvement Program (CHIP) First Time Homebuyer Program. This program is geared for low- and moderate- income persons with a lack of financial resources. The bank made one loan under this program for \$35,600.

SNB instituted a 100% financing program. A first mortgage of up to 80% of the purchase price can be provided at competitive market rates. The additional 20% of the purchase price is secured by a second mortgage. This type of program is primarily for low- and moderate- income borrowers and it alleviates down payment and private mortgage insurance requirements that typically are financial burdens for borrowers. The bank made 16 loans totaling \$1,056,000.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test is rated "Low Satisfactory".

The bank's performance in its AA is adequate. Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

SNB has an adequate level of qualified community development investments. During the evaluation period, the bank made 16 investments totaling \$438 thousand. These investments are not considered innovative or complex.

SNB exhibits an adequate responsiveness to credit and community economic development needs. Available investment opportunities within the bank's AA were limited. We identified one local low- income housing tax credit but no local economic bonds for street or sewer improvements, or school bonds were noted during this review. The bank concentrated its efforts on housing opportunities and invested funds in an Ohio state-wide housing corporation that is authorized to do housing projects in the bank's AA.



The bank's main investment is a \$546 thousand commitment to the Ohio Capital Corporation. This investment is a low- income housing tax credit project. Currently the bank has invested \$424 thousand into this project. Currently, the corporation does not have projects in the bank's immediate assessment area. The remainder of the bank's investments is donations to three entities that provide social services to low- and moderate- income persons and two entities that are economic development organizations.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated "Outstanding".

The bank's performance in its AA is excellent. SNB's distribution of offices is excellent, SNB provides a relatively high level of community development (CD) services and they are considered a leader in CD services.

### **Retail Banking Services**

Please refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system.

SNB's offices are readily accessible to geographies and individuals of different income levels throughout its assessment area (AA). Financial services are reasonably offered at each branch and business hours do not vary in a way that inconveniences any portion of the AA, particularly low- and moderate- income geographies and low- and moderate- income individuals. Some financial services are tailored to assist low- and moderate- income individuals.

There are no low-income geographies in the assessment area. The bank's distribution of branches in the moderate-income geography far exceeds the distribution of the population living in these geographies. Although the banks moderate- income geography is inhabited by a relatively small percentage of the AA's population, it is surrounded by middle- income geographies that contain significant percents of low- and moderate- income families. There have been no changes in branch locations during this assessment period.

The bank's overall services and office hours offered throughout the AA are good. Banking hours and services are provided Monday through Saturday and are similar to those offered by other financial institutions at all of the bank's branches, except the Brethren's Home Retirement Community branch. Loan applications are not taken at the Brethren branch.

The Brethren's Home Retirement Community branch is located in a middle- income geography. Even though SNB's Brethren's Home Retirement Community branch has different office hours, the bank accommodates customers by setting up special appointments to meet customer convenience. Appointments can include setting up new accounts. Although, loan applications are not taken at the Brethren branch, the bank will have a loan officer meet with customers to take loan applications. Most of the individuals that reside in this community are low- and moderate- income. Administrators of the community indicate that approximately 40% of the 470 residents receive financial assistance. The bank's demographic data illustrates that 55% of the households in the community who have accounts with the bank are low- or moderate- income.

SNB's deposit services include low cost economy checking that is available for all customers and free deposit services for minors, students, and senior citizens.

## **Alternate Delivery Systems**

The bank's ATM network is a convenient alternative delivery system for offering its retail banking services. Fourteen percent of the bank's ATMs are in moderate- income geographies that is favorable compared to the six percent of the population living in those geographies. During the assessment period, the bank closed one ATM at the request of the retailer leasing the ATM location, and opened two new ATMs. Although these ATMs are located in middle- income geographies, they are in areas that all residents, including low- and moderate- persons, reside or work. SNB opened one ATM at the Whirlpool factory and another at the Brethren's Home Retirement Community.

SNB offers Phonetelink telephone banking which provides all customers 24 hour convenient access to their accounts. This system allows customers access to deposit and loan account information, transfer funds, and make loan payments. The bank also offers a debit card and ACH transactions. SNB maintains a web-site for information dissemination. Although transactions can not be made on the web-site, questions may be e-mailed to the bank. The delivery systems are not specifically targeted to low- and moderate- income families or geographies. Since data on how these systems affect low- and moderate- income individuals and low- and moderate- income geographies was not available, significant weight could not be placed on this area when drawing conclusions on the Service Test.

## Community Development Services

SNB is a leader in providing many CD services. The bank's CD services are focused on economic and business development in Darke County primarily in the revitalization of the downtown area of Greenville and providing technical expertise to a number of social and economic development organizations. SNB serves in a leadership position by providing technical expertise to many of the primary community organizations in the AA, by helping to establish some of those organizations, and by serving in a leadership position at some of the organizations.

Major highlights of CD service activities in the assessment area include:

**Community Improvement Corporation of Darke County** The bank assisted in establishing this organization. This organization allows the county to buy and own property for the purpose of economic development, bringing in primarily new small businesses. The corporation works mostly with industrial companies that offer job opportunities for low- and moderate- income individuals. The corporation recently did a Community Development Block Grant with a local company that has under 100 employees. With the use of this grant, the company will add another 25 jobs, 51% will be for low- and moderate- income persons. SNB's president served for two to three year period as president of this corporation. Two employees of the bank act as board members and key advisors.

**Darke County Mental Health Clinic** The clinic's fees for services are based on an individual's ability to pay. Low- and moderate- income families use the clinic at a reduced cost or free, depending on family size and income. The SNB marketing director has served as a board member for the clinic for the past nine years and has provided the clinic with her marketing expertise.

**Darke County Micro-Enterprise Business Development Program** SNB was instrumental in the start-up of this program. The purpose of the program is to provide low- and moderate- income individuals who have been denied business credit the opportunity to establish a small business. The program provides scholarships for a ten-week small business education course and then participants work with the bank to obtain reduced interest financing. SNB provided significant in-kind technical support to the program. SNB's guidance included direction on loan documentation and payment programs. SNB provided short-term loans to the five loans that have been granted through this program. The bank was a member of the Micro board that reviewed applications and approved those qualified for the program. SNB also provided free credit reports and taught other program board members how to analyze these reports.

**Downtown Greenville Inc.** –SNB took leadership in developing a special loan financing program to assist this organization's goals. The purpose of the organization is to promote economic development in the moderate- income geography of the downtown Greenville business district, including bringing in new businesses, renovation, and revitalization of the properties. The bank was the first and is the only bank in the AA to develop a low cost loan program for businesses in downtown Greenville. One of the bank's employees is treasurer and trustee of the organization and another employee serves on a development committee.

**Family Health** –This organization is a 501c-3 non profit organization which received federal grant money to provide free health care to the indigent population in addition to the community as a whole. There is a sliding fee scale based on the income and size of the family. Family Health also sponsors the Woman Infants and Children program in Darke County and houses the operation within its facility. This organization serves the needs of low-income mothers and their children by providing nutritional food and supplements, and education for the mothers. The bank's marketing director served as Public Relations Committee Chairperson.

**Greenville Community Revolving Loan Fund** The City of Greenville operates this fund and lends money to small businesses for expansion. Employees of the bank assist in the loan application and approval process for this fund.

**Industrial Park Committee** –This organization works to primarily bring in new small businesses that encourages economic development by creating new employment opportunities for low- and moderate- income individuals. The committee recruits new small businesses and helps them find funding and financing for this industrial park in Fort Recovery. An SNB employee serves as Chairman of the committee and has been instrumental in obtaining governmental financing for these businesses.

**Versailles Economic Development Association** The association promotes economic development through business growth, expansion, and retention in Versailles by being a resource for small business owners and helps find ways to attract new and retain existing small businesses. The association provides information on special financing programs available, employment issues/opportunities, and locations available for new or expanding businesses. Two bank employees serve on Association committees and provide input on available financing to the association.

**"Your Checking Account" student instruction program** The bank developed this program to teach students about checking accounts. The program teaches how to open an account, draft a check properly, and balancing a statement. The bank provides the course materials and employees provide instruction. Students in several schools in the bank's assessment area, including the one moderate- income area and the middle- income area that contains a vast majority of low- and moderate- income persons, have benefited from this program.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this Evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term  $\Delta$ Full-Scope $\Delta$ ) and those that received a less comprehensive review (designated by the term  $\Delta$ Limited-Scope $\Delta$ ).

|   |   |                          |
|---|---|--------------------------|
| <b>Time Period Reviewed</b>   | Lending Test: October 1, 1996 to December 31, 1999<br>Investment Test: October 1, 1996 to June 26, 2000<br>Service Test: October 1, 1996 to June 26, 2000 |                          |
| <b>Financial Institution</b>  | <b>Products Reviewed</b>  |                          |
| Second National Bank<br>Greenville, Ohio                                | Home purchase and refinance loans<br>Small business and small farm  |                          |
| <b>Affiliate(s)</b>   | <b>Affiliate Relationship</b>   | <b>Products Reviewed</b> |
| NA  |   |                          |
| <b>List of Assessment Areas and Type of Examination</b>                 |   |                          |
| <b>Assessment Area</b>  | <b>Type of Exam</b>   | <b>Other Information</b> |
| Darke County and portions of<br>Mercer County<br>(nonmetropolitan area) | Full-Scope  |                          |

# Appendix B: Market Profiles for Full-Scope Areas

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## Table of Contents

### Market Profiles for Areas Receiving Full-Scope Reviews

|  |       |
|--|-------|
| Darke County and portions of Mercer County ..... | B - 2 |
|--|-------|

# Darke County and portions of Mercer County - Nonmetropolitan Area

## Market Profile

| Demographic Information for the Area: NonMSA Greenville                    |        | Evaluation Period 10/01/1996 TO 12/31/1999 |       |                   |       |                      |        |                     |        |                  |   |      |  |
|--|--------|--|-------|-------------------|-------|----------------------|--------|---------------------|--------|------------------|---|------|--|
| Demographic Characteristic   | Total  | Low Income Tracts                          |       | Mod Income Tracts |       | Middle Income Tracts |        | Upper Income Tracts |        | NA Income Tracts |   |      |  |
|  | #      | %  | #     | %                 | #     | %                    | #      | %                   | #      | %                | # | %    |  |
| Geographies (Census Tracts/BNAs)   | 16     | 0.00                                       | 0     | 6.25              | 1     | 75.00                | 12     | 18.75               | 3      | 0.00             | 0 | 0.00 |  |
| Population by Geography  | 74,700 | 0.00                                       | 0     | 5.83              | 4,353 | 73.32                | 54,773 | 20.85               | 15,574 | 0.00             | 0 | 0.00 |  |
| Owner-Occupied Housing by Geography  | 20,362 | 0.00                                       | 0     | 5.25              | 1,068 | 74.23                | 15,115 | 20.52               | 4,179  | 0.00             | 0 | 0.00 |  |
| Business by Geography  | 2,328  | 0.00                                       | 0     | 10.61             | 247   | 69.20                | 1,611  | 20.19               | 470    | 0.00             | 0 | 0.00 |  |
| Farms by Geography   | 1,061  | 0.00                                       | 0     | 0.38              | 4     | 77.66                | 824    | 21.96               | 233    | 0.00             | 0 | 0.00 |  |
| Family Distribution by Income Level  | 20,423 | 13.85                                      | 2,829 | 17.37             | 3,548 | 26.64                | 5,440  | 42.14               | 8,606  | 0.00             | 0 | 0.00 |  |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 6,377  | 0.00                                       | 0     | 9.08              | 579   | 77.72                | 4,956  | 13.20               | 842    | 0.00             | 0 | 0.00 |  |
| Median Family Income   | 30,563 | 50,708                                     |       |                   |       |                      |        |                     |        |                  |   |      |  |
| HUD Adjusted Median Family Income for 1999 Households Below Poverty Level  | 43,200 | 6.68%                                      |       |                   |       |                      |        |                     |        |                  |   |      |  |
|  | 9.27%  | Median Housing Value                       |       |                   |       |                      |        |                     |        |                  |   |      |  |
|  |        | Unemployment Rate                          |       |                   |       |                      |        |                     |        |                  |   |      |  |

SNB's assessment area (AA) consists of 16 geographies. These geographies include all of Darke County and portions of Mercer County in Ohio. Of the 16 geographies, one (6%) is moderate- income, 12 (75%) are middle- income, and three (19%) are upper- income. There are no low- income geographies in the AA. The bank's AA is consistent with regulatory requirements and no low- and moderate- income areas were arbitrarily excluded.

Darke County is located in west central Ohio and borders the state of Indiana. Greenville is the largest city, houses the county seat, and is located near highways I-70 and I-75. Darke County is close to the major metropolitan area of Dayton, Ohio. Darke County encompasses one city, 20 villages and 20 townships. The largest city is Greenville. The County has more than 90 percent of the land in farms and ranks second in the state in corn production, raising hogs, and cash receipts from farm marketings.

Mercer County is also located in west central Ohio and borders the state of Indiana. It is primarily an agricultural area and ranks first in the state in total cash receipts from farm marketings and in raising hogs and pigs. The largest city is Celina and there are eight villages each with population at least half of that of Celina. Within Mercer County, the bank's AA only includes several of the villages such as Coldwater and Fort Recovery.

The AA includes mostly older homes, the median year built is 1954. Most of the homes are owner-occupied and single family. Most of the population is in the middle- income geographies.

The bank's one moderate- income area is in the downtown area of Greenville, Ohio. This area is comprised primarily of small businesses on the main street and a surrounding neighborhood of homes. Only 6% of population in the bank's AA reside in the moderate- income area. Of the homes in this area, 86% is single- family, secondarily mobile homes, and to a lesser degree, multi-family. The median home is valued at \$37,600. The 1,940 housing units in the moderate- income area is very low considering the number of housing units in the middle- and upper- income tracts. The median age of persons living in this area is 49 years.

The major industry in the AA is manufacturing. Some of the major employers are Allied Signal, Inc., Whirlpool, and Corning, Inc. As of December 1999, the unemployment rates of Darke and Mercer Counties (4.8% and 7.1%) were higher than the State of Ohio's unemployment rate of 3.8%.

Two community contacts were made during the evaluation. These contacts included a local housing organization and an economic development organization.



The AA has only one housing organization, several economic development organizations, and a few social type organizations that serve low- and moderate-income individuals and small business community development needs. Opportunity exists to loan and invest in these organizations. These organizations are primarily funded through local, state, and government funds. Community resources and opportunities for partnerships exist with community service organizations and micro-loan funds that service the AA.

Local competition is moderate. In Darke County competition includes approximately ten other community banks and savings and loans, and three large regional banks. Some of the banks are Greenville National Bank, Greenville, Ohio, Fifth Third of Western Ohio, Dayton, Ohio and Bank One, National Association, Columbus, Ohio. In Mercer County competition involves four community banks and savings and loan and Bank One, National Association, Columbus, Ohio. However, overall AA competition is high considering a significant number of out-of-area mortgage companies.

# Appendix C: Tables of Performance Data

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## Content of Standardized Tables

References to the  $\Delta$  bank include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home- Improvement Loans** See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 6. Geographic Distribution of Small Loans to Farms**The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 7. Borrower Distribution of Home Purchase Loans**Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 8 Borrower Distribution of Home- Improvement Loans**See Table 7.

**Table 9. Borrower Distribution of Refinance Loans**See Table 7.

**Table 10. Borrower Distribution of Small Loans to Businesses**Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 11. Borrower Distribution of Small Loans to Farms**Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 12. Qualified Investments** Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

**Table 1. Lending Volume**

| LENDING VOLUME                             |                                      |               |            |   |            |                      |            |                       |            |                      |            |                                     |
|--|--------------------------------------|---------------|------------|---|------------|----------------------|------------|-----------------------|------------|----------------------|------------|-------------------------------------|
|  |                                      | State: OHIO   |            | Evaluation Period: October 1, 1996 TO December 31, 1999 |            |                      |            |                       |            |                      |            |                                     |
| MSA/Assessment Area:                       | % of Rated Area Deposits in MSA/AA * | Home Mortgage |            | Small Loans to Businesses                               |            | Small Loans to Farms |            | Community Development |            | Total Reported Loans |            | % of Rated Area Loans (#) in MSA/AA |
|  |                                      | #             | \$ (000's) | #   | \$ (000's) | #                    | \$ (000's) | #                     | \$ (000's) | #                    | \$ (000's) |                                     |
| Full-Scope:                                |                                      |               |            |   |            |                      |            |                       |            |                      |            |                                     |
| Darke County and Portions of Mercer County | 100.00                               | 95            | 6,998      | 495   | 32,685     | 405                  | 25,984     | 5                     | 311        | 998                  | 65,978     | 100.00                              |
|  |                                      |               |            |   |            |                      |            |                       |            |                      |            |                                     |
|  |                                      |               |            |   |            |                      |            |                       |            |                      |            |                                     |

\* Deposit data as of June 30, 1999.

**Table 2. Geographic Distribution of Home Purchase Loans**

| Geographic Distribution: HOME PURCHASE     |                        |              |                             |              |                           |              |                          |              |                      | State: OHIO |       | Evaluation Period: October 1, 1996 TO December 31, 1999 |     |     |                           |    |              |
|--|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|----------------------|-------------|-------|---|-----|-----|---------------------------|----|--------------|
| MSA/Assessment Area:                       | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |              | Overall Market Rank* |             |       | Market Share by Geography*                              |     |     | Total Home Purchase Loans |    |              |
|  | % Owner Occ Units      | % BANK Loans | % Owner Occ Units           | % BANK Loans | % Owner Occ Units         | % BANK Loans | % Owner Occ Units        | % BANK Loans | Overall              | Market      | Rank* | Overall   | Low | Mod | Upp                       | #  | % of Total** |
| Full-Scope:                                |                        |              |                             |              |                           |              |                          |              |                      |             |       |   |     |     |                           |    |              |
| Darke County and portions of Mercer County | 0.00                   | 0.00         | 5.25                        | 0.00         | 74.23                     | 86.05        | 20.52                    | 13.95        | NA                   | NA          | NA    | NA  | NA  | NA  | NA                        | 43 | 100.00       |
|  |                        |              |                             |              |                           |              |                          |              |                      |             |       |   |     |     |                           |    |              |
|  |                        |              |                             |              |                           |              |                          |              |                      |             |       |   |     |     |                           |    |              |

(\*) No market data available on subject bank.

(\*\*) Home purchase

**Table 3. Geographic Distribution of Home Improvement Loan Originations**

| Geographic Distribution: HOME IMPROVEMENT State: OHIO Evaluation Period: October 1, 1996 TO Dec ember 31, 1999 |                        |              |                   |                             |              |                   |                           |                   |              |                          |              |         |                      |                            |     |     |    |                              |
|--|------------------------|--------------|-------------------|-----------------------------|--------------|-------------------|---------------------------|-------------------|--------------|--------------------------|--------------|---------|----------------------|----------------------------|-----|-----|----|------------------------------|
| MSA/Assessment Area:   | Low-Income Geographies |              |                   | Moderate-Income Geographies |              |                   | Middle-Income Geographies |                   |              | Upper-Income Geographies |              |         | Overall Market Rank* | Market Share by Geography* |     |     |    | Total Home Improvement Loans |
|  | % Owner Occ Units      | % BANK Loans | % Owner Occ Units | % Owner Occ Units           | % BANK Loans | % Owner Occ Units | % BANK Loans              | % Owner Occ Units | % BANK Loans | % Owner Occ Units        | % BANK Loans | Overall |                      | Low                        | Mod | Upp | #  |                              |
| Full-Scope:  |                        |              |                   |                             |              |                   |                           |                   |              |                          |              |         |                      |                            |     |     |    |                              |
| Darke County and portions of Mercer County   | NA                     | NA           | NA                | NA                          | NA           | NA                | NA                        | NA                | NA           | NA                       | NA           | NA      | NA                   | NA                         | NA  | NA  | NA | NA                           |

loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

| Geographic Distribution: HOME MORTGAGE REFINANCE State: OHIO Evaluation Period: October 1, 1996 TO December 31, 1999 |                        |              |                   |                             |              |                   |                           |                   |              |                          |              |         |                      |                            |     |     |        |                                     |
|--|------------------------|--------------|-------------------|-----------------------------|--------------|-------------------|---------------------------|-------------------|--------------|--------------------------|--------------|---------|----------------------|----------------------------|-----|-----|--------|-------------------------------------|
| MSA/Assessment Area:   | Low-Income Geographies |              |                   | Moderate-Income Geographies |              |                   | Middle-Income Geographies |                   |              | Upper-Income Geographies |              |         | Overall Market Rank* | Market Share by Geography* |     |     |        | Total Home Mortgage Refinance Loans |
|  | % Owner Occ Units      | % BANK Loans | % Owner Occ Units | % Owner Occ Units           | % BANK Loans | % Owner Occ Units | % BANK Loans              | % Owner Occ Units | % BANK Loans | % Owner Occ Units        | % BANK Loans | Overall |                      | Low                        | Mod | Upp | #      |                                     |
| Full-Scope:  |                        |              |                   |                             |              |                   |                           |                   |              |                          |              |         |                      |                            |     |     |        |                                     |
| Darke County and portions of Mercer County   | 0.00                   | 0.00         | 0.00              | 5.25                        | 7.69         | 74.23             | 80.77                     | 20.52             | 11.54        | NA                       | NA           | NA      | NA                   | NA                         | NA  | 52  | 100.00 |                                     |

(\*) No market data available on subject bank.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

| Geographic Distribution: SMALL LOANS TO BUSINESSES |                        |              |                             |              |                           |              |                          |              |                      |                            |     | State: OHIO |     | Evaluation Period: October 1, 1996 TO December 31, 1999 |        |              |  |
|--|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|----------------------|----------------------------|-----|-------------|-----|---|--------|--------------|--|
| MSA/Assessment Area:                               | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |              | Overall Market Rank* | Market Share by Geography* |     |             |     | Total Small Business Loans                              |        |              |  |
|  | % of Businesses        | % BANK Loans | % of Businesses             | % BANK Loans | % of Businesses           | % BANK Loans | % of Businesses          | % BANK Loans |                      | Overall                    | Low | Mod         | Mid | Upp   | #      | % of Total** |  |
| Full-Scope:  |                        |              |                             |              |                           |              |                          |              |                      |                            |     |             |     |   |        |              |  |
| Darke County and portions of Mercer County         | 0.00                   | 0.00         | 10.61                       | 25.25        | 69.20                     | 71.92        | 20.19                    | 2.83         | NA                   | NA                         | NA  | NA          | NA  | 495   | 100.00 |              |  |

(\* \*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 6. Geographic Distribution of Small Loans to Farms**

| Geographic Distribution: SMALL LOANS TO FARMS |                        |              |                             |              |                           |              |                          |              |                      |                            |       | State: OHIO |       | Evaluation Period: October 1, 1996 TO December 31, 1999 |        |              |  |
|---|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|----------------------|----------------------------|-------|-------------|-------|---|--------|--------------|--|
| MSA/Assessment Area:                          | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |              | Overall Market Rank* | Market Share by Geography* |       |             |       | Total Small Farm Loans                                  |        |              |  |
|   | % of Farms             | % BANK Loans | % of Farms                  | % BANK Loans | % of Farms                | % BANK Loans | % of Farms               | % BANK Loans |                      | Overall                    | Low   | Mod         | Mid   | Upp   | #      | % of Total** |  |
| Full-Scope:                                   |                        |              |                             |              |                           |              |                          |              |                      |                            |       |             |       |   |        |              |  |
| Darke County and portions of Mercer County    | 0.00                   | 0.00         | .38                         | .25          | 77.66                     | 95.55        | 21.96                    | 4.20         | 1                    | 0.00                       | 36.36 | 58.76       | 31.48 | 405   | 100.00 |              |  |

(\* \*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 7. Borrower Distribution of Home Purchase Loans**

| Borrower Distribution: HOME PURCHASE State: OHIO Evaluation Period: October 1, 1996 TO December 31, 1999 |                      |               |                           |               |                         |               |                        |               |                       |                                   |     |     |     |                           |        |
|--|----------------------|---------------|---------------------------|---------------|-------------------------|---------------|------------------------|---------------|-----------------------|-----------------------------------|-----|-----|-----|---------------------------|--------|
| MSA/Assessment Area:   | Low-Income Borrowers |               | Moderate-Income Borrowers |               | Middle-Income Borrowers |               | Upper-Income Borrowers |               | Overall Market Rank** | Market Share by Borrower Income** |     |     |     | Total Home Purchase Loans |        |
|  | % of Families        | % BANK Loans* | % of Families             | % BANK Loans* | % of Families           | % BANK Loans* | % of Families          | % BANK Loans* |                       | Overall                           | Low | Mod | Mid | Upp                       | #      |
| Darke County and portions of Mercer County   | 13.85                | 2.32          | 17.37                     | 16.28         | 26.64                   | 34.88         | 42.14                  | 46.51         | NA                    | NA                                | NA  | NA  | NA  | 43                        | 100.00 |
| Full-Scope:  |                      |               |                           |               |                         |               |                        |               |                       |                                   |     |     |     |                           |        |

(\*) As a percentage of loans with borrower income information available.

(\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 8. Borrower Distribution of Home Improvement Loan Originations**

| Borrower Distribution: HOME IMPROVEMENT State: OHIO Evaluation Period: APRIL 1, 1997 TO JUNE 30, 1999 |                      |               |                           |               |                         |               |                        |               |                       |                                   |     |     |     |                              |    |
|---|----------------------|---------------|---------------------------|---------------|-------------------------|---------------|------------------------|---------------|-----------------------|-----------------------------------|-----|-----|-----|------------------------------|----|
| MSA/Assessment Area:  | Low-Income Borrowers |               | Moderate-Income Borrowers |               | Middle-Income Borrowers |               | Upper-Income Borrowers |               | Overall Market Rank** | Market Share by Borrower Income** |     |     |     | Total Home Improvement Loans |    |
|   | % of Families        | % BANK Loans* | % of Families             | % BANK Loans* | % of Families           | % BANK Loans* | % of Families          | % BANK Loans* |                       | Overall                           | Low | Mod | Mid | Upp                          | #  |
| Darke County and portions of Mercer County  | NA                   | NA            | NA                        | NA            | NA                      | NA            | NA                     | NA            | NA                    | NA                                | NA  | NA  | NA  | NA                           | NA |
| Full-Scope:   |                      |               |                           |               |                         |               |                        |               |                       |                                   |     |     |     |                              |    |



**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

| Borrower Distribution: HOME MORTGAGE REFINANCE |                      |               |                           |               |                         |               |                        |               |                       | Evaluation Period: October 1, 1996 TO December 31, 1999 |     |     |     |                                     |        |   |                |  |  |
|--|----------------------|---------------|---------------------------|---------------|-------------------------|---------------|------------------------|---------------|-----------------------|---|-----|-----|-----|-------------------------------------|--------|---|----------------|--|--|
| State: OHIO                                    |                      |               |                           |               |                         |               |                        |               |                       | State: OHIO   |     |     |     |                                     |        |   |                |  |  |
| MSA/Assessment Area:                           | Low-Income Borrowers |               | Moderate-Income Borrowers |               | Middle-Income Borrowers |               | Upper-Income Borrowers |               | Overall Market Rank** | Market Share by Borrower Income**                       |     |     |     | Total Home Mortgage Refinance Loans |        |   |                |  |  |
|  | % of Families        | % BANK Loans* | % of Families             | % BANK Loans* | % of Families           | % BANK Loans* | % of Families          | % BANK Loans* |                       | Overall   | Low | Mod | Mid |                                     | Upp    | # | % of Total**** |  |  |
| Darke County and portions of Mercer County     | 13.85                | 1.92          | 17.37                     | 23.08         | 26.64                   | 38.46         | 42.14                  | 36.54         | NA                    | NA  | NA  | NA  | NA  | 52                                  | 100.00 |   |                |  |  |
| Full-Scope:                                    |                      |               |                           |               |                         |               |                        |               |                       |   |     |     |     |                                     |        |   |                |  |  |

(\*) As a percentage of loans with borrower income information available.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

(\*\*\*)

**Table 10. Borrower Distribution of Small Loans to Businesses**

| Borrower Distribution: SMALL LOANS TO BUSINESSES |   |                |   |                   |  |                            |                   |                         |     | Evaluation Period: October 1, 1996 TO December 31, 1999 |                                 |  |  |  |  |  |  |  |  |
|--|---|----------------|---|-------------------|--|----------------------------|-------------------|-------------------------|-----|---|---------------------------------|--|--|--|--|--|--|--|--|
| State: OHIO                                      |   |                |   |                   |  |                            |                   |                         |     | State: OHIO   |                                 |  |  |  |  |  |  |  |  |
| MSA/Assessment Area:                             | Businesses with Revenues of \$1 million or less |                | Businesses with Revenues of \$100,000 or Less |                   | Loans by Original Amount Regardless of Business Size |                            | Market Share***** |                         |     |   | Total Small Loans to Businesses |  |  |  |  |  |  |  |  |
|  | % of Businesses*                                | % BANK Loans** | % Market Loans***                             | \$100,000 or Less | > \$100,000 to \$250,000                             | > \$250,000 to \$1,000,000 | All               | Rev \$1 million or less | #   | % of Total*****   |                                 |  |  |  |  |  |  |  |  |
| Darke County and portions of Mercer County       | 74.23   | 54.75          | 77.19   | 85.86             | 7.27   | 6.87                       | NA                | NA                      | 495 | 100.00  |                                 |  |  |  |  |  |  |  |  |
| Full-Scope:                                      |   |                |   |                   |  |                            |                   |                         |     |   |                                 |  |  |  |  |  |  |  |  |

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(\*\*\*) The market consists of all other Small Business reporters in the MSA/AA and is based on 1998 Aggregate Small Business Data only.

(\*\*\*\*) Market data is not used in this analysis.

(\*\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Farms**

| Borrower Distribution: SMALL LOANS TO FARMS |                | State: OHIO                                      |                   | Evaluation Period: October 1, 1996 TO December 31, 1999 |                          |                        |                         |   |                 |
|---|----------------|--|-------------------|---|--------------------------|------------------------|-------------------------|---|-----------------|
| Farms with Revenues of \$1 million or less  |                | Loans by Original Amount Regardless of Farm Size |                   | Market Share****  |                          | Total Small Farm Loans |                         |   |                 |
| % of Farms*                                 | % BANK Loans** | % Market Loans***                                | \$100,000 or Less | > \$100,000 to \$250,000                                | > \$250,000 to \$500,000 | All                    | Rev \$1 million or less | # | % of Total***** |
|   |                |  |                   |   |                          |                        |                         |   |                 |
| MSA/Assessment Area:                        |                |  |                   |   |                          |                        |                         |   |                 |
| Full-Scope:                                 |                |  |                   |   |                          |                        |                         |   |                 |
| Darke County and portions of Mercer County  |                |  |                   |   |                          |                        |                         |   |                 |

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.  
 (\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.  
 (\*\*\*) The market consists of all other Small Farm reporters in the MSA/AA and is based on 1998 Aggregate Small Farm Data only.  
 (\*\*\*\*) Based on 1998 Aggregate Small Farm Data only.  
 (\*\*\*\*\*): Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

| QUALIFIED INVESTMENTS                      |             | State: OHIO               |            | Evaluation Period: October 1, 1996 TO December 31, 1999 |            |                   |            |                        |                   |
|--|-------------|---------------------------|------------|---|------------|-------------------|------------|------------------------|-------------------|
| MSA/Assessment Areas:                      |             | Prior Period Investments* |            | Current Period Investments                              |            | Total Investments |            | Unfunded Commitments** |                   |
|  | Full-Scope: | #                         | \$ (000's) | #   | \$ (000's) | #                 | \$ (000's) | #                      | % of Total \$\$\$ |
|  |             |                           |            |   |            |                   |            |                        |                   |
| Darke County and portions of Mercer County |             |                           |            |   |            |                   |            |                        |                   |
|  |             | 0                         | 0          | 16  | 438        | 16                | 438        | 1                      | 100.00            |
|  |             |                           |            |   |            |                   |            |                        |                   |

(\*) A Prior Period Investments Δ means investments made in a previous evaluation period that are outstanding as of the examination date.

(\*\*) A Unfunded Commitments means legally binding investment commitments reported on the Report of Condition Schedule-L A Off Balance Sheet Items.Δ

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings**

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS |                                    |                    |                                    |   |       |       |                      |                      |   |   |      |   |      |            |       |       |
|---|------------------------------------|--------------------|------------------------------------|---|-------|-------|----------------------|----------------------|---|---|------|---|------|------------|-------|-------|
| State: OHIO   |                                    |                    |                                    |   |       |       |                      |                      |   | Evaluation Period: October 1, 1996 TO December 31, 1999 |      |   |      |            |       |       |
| MSA/Assessment Area:  | Deposits                           |                    |                                    | Branches                                      |       |       |                      |                      |   | Branch Openings/Closings                                |      |   |      | Population |       |       |
|   | % of Rated Area Deposits in MSA/AA | # of BANK Branches | % of Rated Area Branches in MSA/AA | Location of Branches by Income of Geographies |       |       | # of Branch Closings | # of Branch Openings | Net Change in Location of Branches (+ or -) |   |      | % of the Population within Each Geography |      |            |       |       |
|   |                                    |                    |                                    | Low   | Mod   | Upp   |                      |                      | Low   | Mod   | Upp  | Low                                       | Mod  | Upp        |       |       |
| Darke County and portions of Mercer County                          | 100.00                             | 8                  | 100.00                             | 0.00  | 25.00 | 75.00 | 0.00                 | 0                    | 0.00  | 0.00  | 0.00 | 0.00                                      | 0.00 | 5.83       | 73.32 | 20.85 |
|   |                                    |                    |                                    |   |       |       |                      |                      |   |   |      |   |      |            |       |       |
|   |                                    |                    |                                    |   |       |       |                      |                      |   |   |      |   |      |            |       |       |

Full-Scope: