



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

October 30, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Greenville National Bank
Charter Number 13944**

**446 South Broadway
Greenville, Ohio 45331**

**Comptroller of the Currency
Central Ohio Field Office
325 Cramer Creek Court, Suite 101
Dublin, Ohio 43017**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

The Lending Test is rated: Outstanding

The Community Development Test is rated: Satisfactory

- Lending to borrowers of different incomes levels reflects excellent penetration to low- and moderate-income borrowers.
- Bank's loan-to-deposit ratio is more than reasonable.
- A substantial majority of this bank's lending activity occurs within its assessment area (AA).
- This bank's geographic distribution of loans reflects reasonable dispersion to all geographic areas, including the one moderate-income area.
- Responsiveness to the community development needs of the AAs is reasonable.

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DESCRIPTION OF INSTITUTION:

Greenville National Bank (GNB) is a wholly owned subsidiary of a one-bank holding company, Greenville National Bancorp. Both GNB and its holding company are headquartered in the city of Greenville, Ohio in Darke County, near the Ohio and Indiana boarder. Greenville is about 100 miles west/northwest of Columbus, Ohio and about 40 miles north of downtown Dayton, Ohio. GNB has no other affiliates. Besides its main office, GNB has six additional full-service branches and one consumer loan and credit card production office. In 2003, the bank closed one branch within Darke County in an upper-income census tract, and it opened one branch within Miami County in a middle-income census tract during September 2005. All but one of GNB's offices are in Darke County with the remaining one in Miami County.

GNB's main business focus is residential real estate and consumer purpose lending with some lending for commercial and agricultural purposes. No legal or financial impediments exist that could restrict GNB's ability to meet the credit needs of its assessment areas. GNB's last Community Reinvestment Act (CRA) examination commenced on February 10, 2003, and a "Satisfactory" rating was assigned.

As of June 30, 2006, GNB reported 286.9 million in total assets, \$240.0 million in total deposits, and \$227.3 million in net loans. According to the FDIC's June 30, 2006 Deposit Market Share Report for Darke County, the bank had the largest market share, at 27.82%, among 10 other financial institutions accepting deposits. Within Miami County, the bank had only a 0.08% market share (11th out of 12 institutions) based on the FDIC Deposit Market Share Report for Miami County.

DESCRIPTION OF ASSESSMENT AREA:

GNB has two assessment areas (AA) with one in a non-Metropolitan Statistical Area (MSA) area of Ohio and one in part of the Dayton, Ohio MSA #19380. Demographic data and information

on competition for each AA is presented separately. GNB's AAs comply with all regulatory requirements and do not arbitrarily exclude any low- or moderate-income areas.

Non-MSA AA –

This AA consists of one moderate-income census tract (CT), nine middle-income CTs, and two upper-income CTs covering all of Darke County. The bank does not have any low-income CTs in this AA. The 2006 Updated Median Family Income for non-MSA areas in the state of Ohio is \$51,100. As of the 2000 Census, the total population in this AA was 53,309 with 20,389 households and 21,583 housing units. Please refer to the various tables in the **CONCLUSIONS ABOUT PERFORMANCE CRITERIA** section of this document for relevant demographic data used to evaluate GNB's lending performance.

Competition for loans and deposits is strong with five local community banks and branches of four large national and/or regional banks accepting deposits and making loans in Darke County. Our discussion with the director of a local charitable organization indicated that the primary credit need in Darke County is home mortgage loans, including loans to low- and moderate-income families and individuals. This contact also indicated that financial institutions are doing a good job in meeting the credit needs of the community, including low- and moderate-income families and individuals. Based on our review of Performance Evaluations (PE) of other financial institutions serving this area and the discussion with the community contact, opportunities for community development that meet the technical definition under CRA are limited. The PEs reviewed support the fact that community credit needs are being well met by the local financial institutions.

Dayton, Ohio MSA #19380 AA -

This AA consists entirely of five middle-income tracts covering the western third of Miami County. The bank does not have any low- or moderate-income CTs in this AA. The 2006 Updated Median Family Income for MSA #19380 is \$59,800. As of the 2000 Census, the population of this AA was 20,066 with 7,681 households and 8,047 housing units. Please refer to the various tables in the **CONCLUSIONS ABOUT PERFORMANCE CRITERIA** section of this document for relevant demographic data used to evaluate GNB's lending performance.

Competition for loans and deposits is strong with branches of seven large national and/or larger banks and four local community banks accepting deposits and making loans in Miami County.

The economic conditions of both AAs are fair. While the unemployment rates of both Darke and Miami Counties (4.9% for each in September 2006) are lower than the State of Ohio rate of 5.0%, they exceed the national rate at 4.4%. Based on our discussion with the director of a charitable organization in Darke County, higher paying manufacturing jobs with health insurance benefits are being replaced somewhat by lower paying temporary work that offer no health insurance benefits. The largest employers in Darke County are Whirlpool/Kitchen Aid, Midmark Corp, and Honeywell International. The largest employers in Miami County are Meijer Distributions, Upper Valley Medical Center, and Evenflo Company, Inc.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

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Lending Test

- Based on criteria for the CRA Lending test, GNB's lending performance is outstanding. Lending performance in the MSA AA is outstanding.

To evaluate GNB's CRA lending performance, we focused on its: quarterly loan-to-deposit (LTD) ratio since the last CRA examination and compared it to similarly situated banks; record of lending in its assessment areas (AAs); record of lending to borrowers of different income levels within its AAs, especially low- and moderate-income borrowers; and geographic distribution of lending in its non-MSA AA (the geographic distribution within the Dayton Ohio MSA #19380 is not meaningful given that all the geographies are middle-income). For the non-MSA AA, we reviewed lending activity for all of 2004, 2005 and year-to-date 2006 (October 6, 2006). For the Dayton, Ohio MSA #19380, we reviewed lending activity from September 2, 2005 (date of branch opening in this AA) to year-to-date 2006 (October 6, 2006). As illustrated by the following table, the bank's primary lending products were residential real estate and consumer loans.

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Loan Type	% by Dollar Amt of Loans Originated during the evaluation period	% by Number of Loans Originated during the evaluation period
Residential Real Estate	32%	7%
Consumer Loans	31%	72%
Total Primary Loan Types	63%	79%
Commercial Purpose	21%	11%
Agricultural Purpose	11%	7%

To assess GNB's record of lending in its AAs, we randomly selected 20 loans from each of its two primary loan types, regardless of location, originated from 2004 through year-to-date 2006.

We sampled 20 loans made in the non-MSA AA from both primary loan types to evaluate borrower and geographic distributions. For the Dayton, Ohio MSA #19380, we used all of the residential real estate loans (13) the bank made in this AA since September 2, 2005 and sampled 20 consumer loans made in this AA to evaluate the borrower distribution.

Loan-to-Deposit Ratio

- GNB's LTD is more than reasonable when compared with the performance of other similarly situated banks in, and in close proximity to, its AAs.

Since the prior CRA examination, GNB's quarterly LTD ratio averaged 88% over the last 15 quarters. This compares favorably with the quarterly LTD average of 82% for similarly situated banks in, and in close proximity to, its AAs. Similarly situated banks included the eight other commercial banks taking deposits in GNB's AAs and three contiguous counties with total deposits between \$104 million and \$313 million.

Lending in Assessment Area

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- A substantial majority of GNB’s lending activity occurs within its AA.

Based on the random sample of 20 loans from both of the bank’s primary loan types, this bank made 97.5%, based on number of loans, and 90.25%, based on the dollar amount of loans, within its AAs.

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

- GNB’s lending to borrowers of different incomes levels reflects excellent penetration to low- and moderate-income borrowers when compared to the demographics of its AAs.

Non-MSA AA:

The distributions for both of the residential real estate and consumer lending products are excellent when compared with the percentage of low- and moderate-income families and households in this AA, as reflected in the following tables. While residential real estate lending to moderate-income borrowers is slightly less than the percentage of moderate-income families within this AA, this bank’s residential real estate lending to low-income borrowers is excellent when compared with the percentage of low-income families in this AA. A factor to consider in this excellent lending performance is that 5.96% of the families in this AA live below the poverty line and may not meet the criteria to qualify for a home loan.

Borrower Distribution of Residential Real Estate Loans in Non-MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
	15.39%	20.00%	17.88%	15.00%	25.57%	35.00%	41.16%	30.00%

Source: sample of 20 residential loans made in Non-MSA AA; 2000 U.S. Census data

Borrower Distribution of Consumer Loans in Non-MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
	20.28%	40.00%	16.18%	30.00%	21.82%	25.00%	41.72%	5.00%

Source: sample of 20 consumer loans made in Non-MSA AA; 2000 U.S. Census data

Dayton, Ohio MSA #19380

The distributions for both the residential real estate and consumer lending products are excellent when compared with the percentage of low- and moderate-income families and households in this AA, as reflected in the tables on the following page. While residential real estate lending to low-income borrowers is slightly less than the percentage of low-income families in this AA, a factor to consider is that 3.19% of families in this AA live below the poverty line and may not meet the criteria to qualify for a home loan.

Borrower Distribution of Residential Real Estate Loans in Dayton, Ohio MSA #19380								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
	16.00%	15.38%	21.48%	23.08%	28.40%	30.77%	34.12%	30.77%

Source: all 13 residential loans made in Dayton Ohio MSA #19380; 2000 U.S. Census data

Borrower Distribution of Consumer Loans in Dayton, OH MSA #19380								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
	15.47%	60.00%	18.03%	20.00%	22.89%	15.00%	43.61%	5.00%

Source: sample of 20 consumer loans made in Dayton, OH MSA #19380; 2000 U.S. Census data

Geographic Distribution of Loans

- GNB's geographic distribution of loans reflects reasonable dispersion to all areas within its non-MSA AA, including the one moderate-income area. Please refer to the following tables for support of this conclusion.

Geographic Distribution of Residential Real Estate Loans in Non-MSA AA						
Census Tract Income Level	Moderate		Middle		Upper	
	% of Owner Occupied Housing Units	% of Number of Loans	% of Owner Occupied Housing Units	% of Number of Loans	% of Owner Occupied Housing Units	% of Number of Loans
	6.82%	5.00%	74.18%	65.00%	19.00%	30.00%

Source: sample of 20 residential real estate loans in Non-MSA AA; 2000 U.U. Census data

Geographic Distribution of Consumer Loans in Non-MSA AA						
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Census Tract Income Level	Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
	8.96%	10.00%	72.66%	65.00%	18.38%	25.00%

Source: sample of 20 consumer loans in Non-MSA AA; 2000 U.U. Census data

Our analysis reflected lending in most tracts, including the one moderate-income tract, and no conspicuous gaps or areas of low penetration in GNB’s lending pattern. This bank’s lending in the moderate-income tract for both primary loan types is satisfactory.

Responses to Complaints

Neither bank management nor our office received any complaints regarding GNB’s CRA performance. Therefore, this performance criterion is not applicable.

Community Development Test

- GNB’s responsiveness to the community development needs of its AAs is reasonable given the limited opportunity for community development as defined by the CRA regulation.

The evaluation period for Community Development (CD) loans, investments and services was February 10, 2003 to October 30, 2006.

Number and amount of community development loans -

The bank granted three CD loans totaling \$671,674 to Family Health Services (FHS) of Darke County, Inc., which is in the bank’s non-MSA AA. While FHS serves all of Darke County, it is located in the one moderate-income census tract of that county. This is a federally qualified health center, which provides health care regardless of the patient’s ability to pay or insurance coverage. In order to qualify as a federally qualified health center, a health center must: be located in or serve a high need community (medically underserved area or population); must provide supportive services such as translation and transportation services that promote access to health care; and services must be available to all residents of the service area with fees adjusted, including no fees, upon patients’ ability to pay. In addition, FHS was awarded a federal grant referred to as a Special Supplemental Nutrition Program to provide highly nutritious food to low-income women, infants, and children.

Number and amount of qualified investments -

Since the last CRA examination, the bank made a total of \$64,990 in community development investments that benefited its AAs. Investments benefiting the bank’s non-MSA AA totaled \$61,990 and \$3,000 benefited the bank’s MSA AA. These investments consisted of charitable donations to 11 entities that provide services to low- and moderate-income persons and to three economic development organizations.

Extent to which the bank provides community development services –

Community development services consisted of nine bank employees, including members of

senior management, providing financial services expertise to five community development organizations. Three of these organizations provide services to low- and moderate-income persons and two are economic development organizations. All of these organizations are in the bank's non-MSA AA.

GNB does participate in the Federal Home Loan Bank's (FHLB) Welcome Home Program. This program provides down payment assistance to low- and moderate-income borrowers who wish to purchase a home. Through this program, two borrowers received \$5,000 each from the FHLB, and GNB was able to make two loans totaling \$153,000.

Bank's responsiveness, through community development activities, to community development lending, investment, and services needs is satisfactory.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.