



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**March 26, 2001**

# **Community Reinvestment Act Performance Evaluation**

**The National Bank & Trust Company  
Charter Number: 1997**

**48 North South Street  
Wilmington, OH 45177**

**Office of the Comptroller of the Currency**

**Central Ohio Field Office  
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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, 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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# Overall CRA Rating

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

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

Performance Levels	The National Bank & Trust Company Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		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:

- A substantial majority (90 percent) of the bank’s home mortgage loans and small loans to businesses and farms are within its AAs.
- NB&T’s lending levels reflect good responsiveness by the bank to the credit needs of its AAs.
- The overall distribution of NB&T’s home mortgage loans and small loans to businesses and farms among geographies of different income levels is good. Performance is excellent in the Cincinnati MSA and adequate in the non-metropolitan AA.
- The overall distribution of NB&T’s home mortgage loans and small loans to businesses and farms among borrowers of different income levels is excellent. Performance is excellent in the Cincinnati MSA and good in the non-metropolitan AA.
- NB&T has been successful in offering a flexible home purchase mortgage loan product that addresses the need for flexible lending for low- and moderate-income borrowers.
- NB&T’s investments reflect an adequate responsiveness by the bank to the needs of its AAs.
- Accessibility of the bank’s offices to geographies and individuals of different income levels is good. The responsiveness of the bank’s services to the needs of the AA is also good.

## 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 with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Assessment Area (AA)** - A geographic area delineated within which the OCC evaluates the bank's record of helping meet the credit needs of its community. AAs consist generally of one or more MSAs or one or more contiguous political subdivisions, such as counties, cities, or towns. AAs include the geographies in which the bank has its main office, its branches, and its deposit-taking ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. 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 U.S. 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 percent of the median family income.

**Median Family Income (MFI)** - The median income determined by the U.S. 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 U.S. 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 percent and less than 120 percent of the MFI.

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

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

**Small Loans to Farms** - Loans with original amounts of \$500,000 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 non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## **Description of Institution**

The National Bank and Trust Company (NB&T) is a \$573 million intrastate bank headquartered in Wilmington, Ohio. Located approximately 60 miles northeast of Cincinnati and approximately 65 miles southwest of Columbus, NB&T has 18 offices that serve all or portions of seven counties in southwest Ohio. NB&T is a wholly owned subsidiary of InterCountry Bancshares, Inc., a one-bank holding company also located in Wilmington. Philips Insurance Agency, located in Blanchester, Ohio, is an operating subsidiary of the bank. The results of our review of Philips' activities indicate that the activities do not materially impact the bank's capacity and ability to lend or invest in its community. The activities of Philips were not included in our assessment of NB&T's CRA performance.

NB&T offers a full range of consumer and commercial loan and deposit products, and provides trust services. The bank has opened up new sources of revenue in the past several years by becoming more diversified in its product offerings in order to build and retain profitable customer relationships. These financial services include investment retail sales, insurance, and employee benefits trust accounts. NB&T's traditional market area is comprised largely of older customers in rural markets; however, the bank is strengthening its marketing efforts to improve its position among other segments of the community as well. During the evaluation period, the bank opened two new branches in Owensville and Waynesville in the Cincinnati MSA.

The bank's loan portfolio, totaling \$376 million as of December 31, 2000, is comprised of real estate loans (52 percent), commercial loans (25 percent), consumer loans (20 percent), and agricultural loans (3 percent). Within the real estate segment, 87 percent are residential with the remainder commercial loans. Commercial clients are primarily small and medium size businesses. Since its last CRA evaluation, the percentage the bank's consumer and agricultural loans has decreased while the percentage of real estate loans has increased significantly. The percentage of commercial loans has also increased. Tier 1 Capital was \$42.9 million at year-end 2000. No financial or legal impediments hinder NB&T's ability to address community needs. The last CRA evaluation, dated February 2, 1998, resulted in a "Satisfactory" rating.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period is from February 2, 1998 through March 26, 2001. With the exception of community development (CD) loans, the primary data evaluated for the Lending Test is from January 1, 1998 through December 31, 2000. Lending data for the month prior to the evaluation period was included in this evaluation since the last performance evaluation only included lending data through year end 1997. The evaluation period for the Investment Test, Service Test and Community Development loans, is February 2, 1998 through March 26, 2001.

For the Lending Test, NB&T's originations/purchases of home mortgage loans, home improvement loans, as well as small loans to businesses and farms were evaluated.

## **Data Integrity**

As part of this CRA evaluation, NB&T's publicly filed information on home mortgage loans, small loans to businesses and small loans to farms was tested for accuracy. The testing indicated inaccuracies in recording of the location of small business/small farm loans as well as less significant errors in other key data fields. Management corrected the information. This evaluation is based on the corrected information, which is deemed to be accurate.

Qualified investments and CD services submitted by NB&T's management were verified to ensure that they met the regulatory definition for CD. Some items submitted by the bank for consideration were excluded from this evaluation because they did not meet the definition or purpose of CD.

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

NB&T has two assessment areas (AAs): the Cincinnati MSA AA and the non-metropolitan AA. Both were selected for full-scope reviews. These AAs represent NB&T's major markets and account for 100 percent of NB&T's deposits and 90 percent of all reported lending activity during the evaluation period. Refer to Appendix A for additional information regarding the bank's AAs.

## **Ratings**

NB&T's overall ratings under each test are the consolidation of conclusions reached for each full-scope AA. When consolidating AA conclusions into overall ratings, slightly more weight was given to the Cincinnati MSA than the non-metropolitan AA. The weighting was based primarily on the significance of the AA to the bank in terms of overall deposit volume, number of branches and percentage of low- and moderate-income census tracts and families.

When determining conclusions for the Lending Test, home mortgage loans were weighted more heavily than other loans due to the bank's overall higher home mortgage lending volume.

## **Other**

### Community Contacts

Six community contacts were made during the evaluation. Of the contacts made, four were in the non-metropolitan AA and two were in the Cincinnati MSA. The contacts included three community service organizations, a regional planning office, a local realtor,



and a city administrator. In all cases, the contacts stated that the primary credit needs in each AA are for flexible lending for low- and moderate-income home purchasers and financing for development of affordable housing. The favorable economic environment in both AAs has created a need for housing for lower paid workers who have located to the area. While there is a strong demand for affordable housing, high construction costs, coupled with increased land values, provide little incentive for developers to construct affordable homes. Lending opportunities for development are therefore limited. Of the existing housing stock, lower cost homes are often purchased for rental use, leaving little opportunity for lower-income borrowers who often don't qualify under conventional loan standards. The median housing value in the Cincinnati MSA is \$69,849 and in the non-metropolitan AA the median housing value is \$50,708.

The primary needs for flexible loans to low- and moderate-income home purchasers and financing of affordable housing development were considered in our evaluation of NB&T's performance under the Lending, Investment and Service Tests. Refer to the Market Profiles in Appendix B of this Evaluation for more information.

## **Fair Lending Review**

An analysis of three years of public comments and consumer complaints in addition to an analysis of HMDA, Small Business, and Small Farm lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1998.

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

### **LENDING TEST**

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

The bank's performance under the lending test is rated "high satisfactory." Based on full-scope reviews, the bank's performance in the Cincinnati MSA is excellent and is adequate in the non-metropolitan AA.

#### **Lending Activity**

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

NB&T's lending activity is good in both the Cincinnati MSA AA and the non-metropolitan AA.

In the Cincinnati MSA AA, approximately 57 percent of the loans originated/purchased during the evaluation period are home mortgage loans, 29 percent are small loans to businesses, and 14 percent are small loans to farms. Among home mortgage loan originations/purchases in the Cincinnati MSA AA, approximately 29 percent are home purchases, 48 percent are home refinance, and 23 percent are home improvement.

In the non-metropolitan AA, approximately 46 percent of loans originated/purchased during the evaluation period are home mortgage loans, 34 percent are small loans to businesses, and 20 percent are small loans to farms. The breakdown of home mortgage loans is 48 percent home purchase, 37 percent home refinance, and 15 percent home improvement.

NB&T's overall lending activity in the Cincinnati MSA AA is commensurate with its share of the deposit market, especially considering the large number of lending competitors operating in the area. NB&T ranks fourth in terms of deposits among depository institutions, with a 7.6 percent market share. According to 1999 aggregate HMDA data, NB&T is ranked number 33 in the origination/purchase of home purchase loans (0.73 percent market share), eleventh relative to home improvement (2.8 percent market share), and fifteenth relative to home mortgage refinance (1.3 percent market share). While the bank's market share percentages for home mortgage loans are lower than its deposit market share, this performance is typical of a bank which is one of over 450 reporting mortgage lenders within the AA. Based on 1999 aggregate CRA data, NB&T ranks first in small loans to farms with a 51 percent market share and fifth in small loans to businesses with a 5.5 percent share.

In its non-metropolitan AA, NB&T's lending activity is commensurate with its share of the deposit market. NB&T ranks third in terms of deposits among depository institutions, with a market share of 10.8 percent. Based on 1999 aggregate HMDA data, NB&T is ranked number two in the origination/purchase of home purchase loans (9.5 percent market share), fourth in home improvement loans (11.1 percent share), and third relative to home refinance loans (5 percent share). According to 1999 aggregate CRA data, NB&T ranks first in small loans to businesses (25 percent market share) and first in small loans to farms with nearly 50 percent share of the market. In drawing our conclusions regarding NB&T's lending market share performance, we recognize that market share information does not reflect all lending activity in the AA. Thirteen insured depository institutions, representing 48 percent of the AA's insured deposits, are not required to report HMDA and CRA data due to their size and area of operation. Therefore, NB&T's actual market shares are likely to be lower.

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

The overall geographic distribution of the bank's home mortgage and small loans to businesses and farms is good. Performance is excellent in the Cincinnati MSA and adequate in the non-metropolitan AA.

## ***Home Mortgage Loans***

Refer to Tables 2, 3 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 excellent in the Cincinnati MSA and adequate in the non-metropolitan AA. More weight was given to home purchase loan performance since home purchase lending is one of the identified needs in both full-scope AAs.

### Cincinnati MSA

The geographic distribution of home purchase loans, home refinance loans, and home improvement loans is excellent in the Cincinnati MSA. For each product line, the portion of loans made in moderate-income geographies exceeds the portion of owner-occupied housing units that are within those geographies. There are no low-income geographies in the AA. Furthermore, NB&T's market shares in moderate-income geographies exceeds its overall shares for those product lines in this AA.

### Non-metropolitan AA

The geographic distribution of home purchase and home refinance loans is adequate in the non-metropolitan AA. The portion of home purchase and home refinance loans made in moderate-income geographies is lower than the portion of owner-occupied housing units within moderate-income geographies. There are no low-income geographies in the AA. The market share for home purchase loans in moderate-income geographies is somewhat lower than NB&T's overall market share while the market share for home refinance loans is lower than the bank's overall market share. NB&T's portion of home improvement loans made in moderate-income geographies is significantly lower than the portion of owner-occupied housing units in those geographies. The bank's market share for home improvement loans in moderate-income geographies is significantly lower than the bank's overall home improvement market share. This level of performance is deemed adequate, however, considering the home improvement market is dominated by much larger regional banks. Based on 1999 aggregate HMDA data, six large regional banks and their affiliates have almost an 80 percent share of that market. NB&T's performance is commensurate with other community banks in that market.

## ***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 good overall. Performance is excellent in the Cincinnati MSA and adequate in the non-metropolitan AA.

### Cincinnati MSA

The portion of small loans to businesses made in moderate-income geographies exceeds the portion of businesses that are within those geographies. NB&T's market share for small loans to businesses in moderate-income geographies exceeds the bank's overall market share.

### Non-metropolitan AA

The portion of small loans to businesses made in moderate-income geographies is significantly less than the portion of businesses within those geographies. NB&T's market share for small loans to businesses in moderate-income geographies is substantially lower than the bank's overall market share. The bank's overall performance in this area is considered adequate, however, given that NB&T has limited opportunities to make loans in the moderate-income geographies. The bank's Hillsboro office is the only branch in close proximity to a moderate-income geography. NB&T made eleven small loans to businesses in this geography that according to 2000 Dunn and Bradstreet demographic data only has 237 businesses located within it. There are also five other FDIC insured lenders in Hillsboro with six branch offices.

### ***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 overall. Performance is excellent in the Cincinnati MSA AA and adequate in the non-metropolitan AA. The bank's primary agricultural loan market in the non-metropolitan AA is in Clinton County that has no moderate-income census tracts.

### Cincinnati MSA

The portion of small loans to farms made in moderate-income geographies exceeds the portion of farms that are within those geographies. NB&T's market share for small loans to farms in moderate-income geographies exceeds the bank's overall market share.

### Non-metropolitan AA

The portion of small loans to farms made in moderate-income geographies is significantly less than the portion of farms within those geographies. NB&T's market share for small loans to farms in moderate-income geographies is lower than the bank's overall market share. This level of performance is deemed adequate considering that NB&T has limited opportunity to lend in moderate-income areas of the AA since the bank has only one branch, its Hillsboro office, in the AA that is located close to a moderate-income tract.

That geography contains a total of only fourteen farms. There are also five other FDIC insured lenders in Hillsboro with six branch offices.

### **Lending Gap Analysis**

Maps and reports detailing NB&T's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained gaps were identified.

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

A substantial majority (90 percent) of the home mortgage loans, small loans to businesses and small loans to farms originated/purchased by NB&T over the evaluation period were within its AAs. Ninety percent of the bank's home mortgage loans, ninety-one percent of the small loans to businesses, and eighty-nine percent of the small loans to farms were within its AAs. This performance was positively factored in the overall analysis of the geographic distribution of lending by income level of geography.

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

The overall distribution of the bank's home mortgage and small loans to businesses and farms to borrowers at different income levels is excellent. Performance is excellent in the Cincinnati MSA and good in the non-metropolitan AA.

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

Refer to Tables 7, 8, 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 excellent in the Cincinnati MSA and good in the non-metropolitan AA. Consideration was given to the difficulty low-income families have in affording even a low priced home. Using 1990 census data, 12.12 percent of households in the Cincinnati MSA and 13.59 percent of the households in the non-metropolitan AA are below poverty level. The HUD adjusted median family income for 2000 was \$57,800 in the Cincinnati MSA and \$45,300 in the non-metropolitan AA. The weighted average of median housing costs for the same period was \$69,849 in the Cincinnati MSA and \$50,708 in the non-metropolitan AA. Based on these levels, the income of a low-income borrower would generally be less than the income needed to qualify for financing a median priced home in these AAs. Most present housing stock is out of the affordability range of a low-income borrower. The supply of affordable homes is limited while the demand for these properties is high, particularly among investors. Refer to the Market Profiles in Appendix B of this evaluation for more market information.

## Cincinnati MSA

Home purchase loan performance is excellent. The portion of home purchase loans made to moderate-income borrowers in the AA exceeds the portion of families that are defined as such. While the portion of home purchase loans made to low-income borrowers is somewhat lower than the portion of families that are defined as such, consideration was given to the difficulty low-income families have in affording even a low priced home. In addition, the market share for loans to both low- and moderate-income borrowers exceeds NB&T's overall market share in the AA for home purchase loans.

Refinance loan borrower distribution is excellent. The portion of refinance loans made to moderate-income borrowers in the AA exceeds the portion of families that are defined as such while the portion of refinance loans made to low-income borrowers is lower than the portion of families that are defined as such. In addition, NB&T's market share for refinance loans made to low- and moderate-income borrowers exceeds the bank's overall market share in the AA.

Home improvement borrower distribution is excellent. The portion of home improvement loans made to both low- and moderate-income borrowers exceeds the portion of families that are defined as such. NB&T's market share for home improvement loans made to both low- and moderate-income borrowers exceeds the bank's overall market share

## Non-metropolitan AA

Home purchase borrower distribution is good. The portion of home purchase loans made to moderate-income borrowers in the AA exceeds the portion of families that are defined as such. While the portion of home purchase loans made to low-income borrowers is significantly lower than the portion of families that are defined as such, consideration was given to the difficulty low-income families have in affording even a low priced home. In addition, based on 1999 HMDA aggregate data, NB&T is the third largest lender of home purchase loans to low-income borrowers in the AA behind two large mortgage companies. The market share for loans made to low- and moderate-income borrowers exceeds NB&T's overall market share in the AA for home purchase loans.

The portion of refinance loans made to moderate-income borrowers is lower than the portion of families that are defined as such; while the portion of refinance loans made to low-income borrowers is significantly lower than the portion of families that are defined as such. NB&T's market share to moderate-income borrowers is somewhat lower than its overall home refinance market share. The bank's market share to low-income borrowers is lower than the bank's overall market share. This level of performance is considered adequate, however, considering the difficulty low-income borrowers have in affording even a low-priced home coupled with the limited amount of affordable housing in the AA. Four large financial institutions dominate the market of consisting of over 100 reporting refinance lenders.

Home improvement borrower distribution is excellent. The portion of home improvement loans made to moderate-income borrowers exceeds the portion of families that are defined as such while the portion of home improvement loans made to low-income borrowers is somewhat lower than the portion of families that are defined as such. NB&T's market share for home improvement loans made to both low- and moderate-income borrowers exceeds the bank's overall market share.

### ***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 small loans to businesses is good. Performance is excellent in the non-metropolitan AA and good in the Cincinnati MSA.

#### Cincinnati MSA

The portion of the bank's small loans to businesses substantially meets the portion of businesses that have revenue levels of \$1 million or less. NB&T's market share to this segment exceeds the bank's overall market share for small loans to businesses.

#### Non-metropolitan AA

The portion of NB&T's small loans to businesses with revenues of \$1 million or less exceeds the portion of businesses that have that level of revenues. In addition, NB&T's market share to this segment exceeds the bank's overall market share for small loans to businesses.

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

Refer to Table 11 in the 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 small loans to small farms is excellent. Performance is excellent in both full-scope AAs.

#### Cincinnati MSA

The portion of NB&T's small loans to farms with revenues of \$1 million or less exceeds the portion of farms that have that level of revenues. In addition, NB&T's market share to this segment is the same as the bank's overall market share for small loans to farms.

#### Non-metropolitan AA

The portion of NB&T's small loans to farms with revenues of \$1 million or less exceeds the portion of farms that have that level of revenues. In addition, NB&T's market share

for small loans made to this segment exceeds the bank's overall market share for small loans to farms.

### **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 lending.

NB&T reported no CD loans. We determined that community development lending performance has a neutral effect on the lending test conclusions.

### **Product Innovation and Flexibility**

NB&T offers flexible home mortgage loans through its "Combo Loan" program that the bank introduced in early 1998. The program features no down payment requirement, minimal closing costs, a higher debt-to-income ratio tolerance, and no private mortgage insurance requirement. An analysis of the bank's data during the evaluation period indicates that 187 Combo-Loans were made, which represents approximately 30 percent of the bank's home purchase lending volume. While the loans are not restricted to only low- and moderate-income borrowers, the bank was able to achieve a greater penetration of home purchase loans to low- and moderate-income borrowers in the Cincinnati MSA through the product. This performance had a positive effect on the overall lending test conclusions for the Cincinnati MSA as the product addresses affordable housing financing, which is the primary credit need identified in both AAs.

## **INVESTMENT TEST**

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

NB&T's performance under the Investment Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in both the Cincinnati MSA AA and the non-metropolitan AA is adequate.

Refer to Table 12 of Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Investment activity in the Cincinnati MSA is adequate. All qualified investments in this AA are in the form of grants, with none considered innovative or complex. During the evaluation period, NB&T provided grants totaling \$29,250 to six community organizations for community development purposes within the AA. Investments have primarily addressed social service needs of low- to moderate-income individuals, with some funds also supporting Habitat for Humanity's affordable housing programs. Refer to the Market Profile for the Cincinnati MSA in Appendix B. While the dollar level of investments is low, we determined that a limited level of investment opportunities exists in the AA, as



discussed in the Market Profile section. We concluded that NB&T's investments are adequately commensurate with the level of opportunities available.

Investment activity in the non-metropolitan AA is adequate. All qualified investments in this AA are in the form of grants, with none considered innovative or complex. During the evaluation period, NB&T provided grants totaling \$19,668 to seven community organizations for community development purposes within the AA. Investments have primarily addressed social service needs of low- to moderate-income individuals. Funds also supported a small business financing program and Habitat for Humanity's affordable housing programs. Refer to Market Profile for the non-metropolitan AA in Appendix B. While the dollar level of investments is low, we determined that a limited level of investment opportunities exists in the AA, as discussed in the Market Profile section. We concluded that NB&T's investments are adequately commensurate with the level of opportunities available.

## **SERVICE TEST**

NB&T's performance under the Service Test is rated "High Satisfactory." Performance in both the Cincinnati MSA AA and the non-metropolitan AA is good.

### **Retail Banking Services**

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

NB&T's delivery systems are accessible to geographies and individuals of different income levels throughout both AAs. Accessibility is excellent in the Cincinnati MSA AA and adequate in the non-metropolitan AA. In the Cincinnati MSA, the percentage of NB&T offices located in moderate-income geographies is more than double the percentage of the AA's population that resides in those geographies. There are no low-income geographies in this AA. NB&T did not close any offices during the evaluation period, and opened two offices in middle-income areas.

None of NB&T's offices in the non-metropolitan AA are located in moderate-income geographies, while 18 percent of the AA's population is located in the four geographies that are moderate-income. However, one of NB&T's eight offices (12.5 percent) is located immediately adjacent to a moderate-income geography that contains over 25 percent of the AA's moderate-income geographic population. Furthermore, a review of NB&T's lending record in this AA reflects that the bank has shown adequate performance in reaching moderate-income geographies and borrowers despite the lack of offices located directly in those geographies that are moderate-income. NB&T's branch network within the AA is centered in Clinton County, with seven offices located in the bank's headquarters county. No offices were opened or closed during the evaluation period, but one drive-in office was relocated approximately two miles to a more functional location.

NB&T's hours and services offered throughout the full-scope AAs are good. Office hours and services in the full-scope AAs, including the availability of loan officers for all loan products, are comparable among all locations regardless of the income level of the geographic. Services do not vary in a way that inconveniences portions of the AAs, particularly moderate-income geographies and/or low- and moderate- income individuals. All deposit and loan products and services are available at all branch offices. Banking hours and services provided Monday through Friday are supplemented by Saturday hours at all banking facilities located in both AAs.

The bank's ATM network offers an effective alternative delivery system for delivering retail banking services to moderate-income geographies and to low-and moderate-income individuals. In the Cincinnati MSA, the portion of NB&T's ATMs in moderate-income geographies exceeds the portion of the population that resides in those geographies. While none of the bank's five ATMs located in the non-metropolitan AA is located in a moderate-income geography, one ATM is located immediately adjacent to a moderate-income geography that contains over 25 percent of the AA's moderate-income geographic population. NB&T also has an extensive network of 82 cash dispensing machines with the majority located throughout Ohio with several in Kentucky and Indiana.

The bank's 24-hour telephone banking system allows bank customers to obtain information about checking and savings accounts, overdraft protection, certificates of deposit, and home mortgage loans. The system is available to both retail and business customers and a toll free phone number is available.

A bank by mail program provides pre-addressed envelopes to individuals who are unable to visit a branch or prefer to mail in their deposits and other correspondence. The bank also offers on-line banking via its website.

As specific information is not available on the degree in which low- and moderate-income individuals and geographies are impacted by these services, significant weight cannot be placed on these alternative delivery systems when drawing conclusions for performance under the Service Test.

### **Community Development Services**

NB&T's performance in providing CD services is good in each AA. At times, bank employees have taken on leadership roles in local organizations that provide CD services within the AAs. Primary services include providing financial expertise to a variety of community service and development organizations through board membership, credit counseling, and the provision of technical financial assistance for consumers and small businesses.

NB&T has assisted local community development organizations by acting as a sponsor for loan applications to the Federal Home Loan Bank of Cincinnati (FHLB). As sponsor, the bank assists the organization with the application. The FHLB awards the loans based on a competitive point system. During the evaluation period, two project applications, one

for a senior citizens housing project and the other for an affordable home building project, were sponsored and are discussed under organization headings below. For these projects, the bank also provides agency services at no charge during the grant period, and assists with financial education programs as part of the criteria of the grant program. NB&T estimates the value of these services to be \$2,000 per project. The bank's responsiveness to the needs of the AAs through its involvement with these projects is particularly important due to the limited opportunities for affordable housing that exist.

Examples of primary CD services provided during the evaluation period in each AA are summarized below.

### Cincinnati MSA AA

CD services have addressed affordable housing and small business financing needs.

A bank officer is the treasurer of a local organization that addresses affordable housing needs of low- and moderate-income individuals. The officer assisted Clermont County in applying for Community Housing Improvement Strategy (CHIS) & Community Housing Improvement Program (CHIP) program status, which provides access to affordable housing funding.

A bank officer is the Treasurer of the local chapter of a national affordable housing organization that builds affordable housing for low- and moderate-income individuals. This organization addresses affordable housing in parts of both NB&T AAs. Two homes were built in 2000 and the construction on a third home was initiated. NB&T sponsored an application for grant funding with the FHLB. The grant was approved in November 2000. Funds will be used to acquire land, supplies and other materials. NB&T has also provided financial support to this organization, as discussed under the Investment Test.

NB&T sponsored a grant request by a local service organization to the FHLB for a senior citizens housing project that is also receiving U.S. Department of Urban Development financing. The grant request is pending.

NB&T staff made a presentation for small business owners on preparing loan applications through its involvement with a local chamber of commerce.

### Non-metropolitan AA

Refer to discussion above under the Cincinnati MSA AA regarding the organization that has built affordable housing in parts of both AAs

Similar to the presentation done in the Cincinnati MSA, the NB&T staff made a presentation for small business owners on preparing loan applications through its involvement with a local chamber of commerce.

## Appendix A: Scope of Examination

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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 non-metropolitan areas that received comprehensive examination review (designated by the term "full-scope") and those that received a less comprehensive review (designated by the term "limited-scope").

<b>Time Period Reviewed</b>	Lending Test: 1/1/98 to 12/31/00 Investment and Service Tests and CD Loans: 2/2/98 to 3/26/01	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
National Bank & Trust Company (NB&T) Wilmington, Ohio	Home mortgage loans, small loans to businesses and small loans to farms	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Philips Insurance Agency	Subsidiary	None
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Cincinnati MSA AA (#1640 Cincinnati MSA)	Full-Scope	
Non-metropolitan AA	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

Cincinnati, Ohio Metropolitan Statistical Area (1640).....	B-2
Non-metropolitan Area.....	B-4

## Cincinnati, Ohio Metropolitan Statistical Area (1640)

Demographic Information for Full-Scope Area: #1640 Cincinnati MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	62	0.00	22.58	58.06	17.74	1.61
Population by Geography	299,062	0.00	19.31	61.33	18.38	.97
Owner-Occupied Housing by Geography	76,684	0.00	18.63	61.30	20.06	0.00
Businesses by Geography	10,494	0.00	16.88	61.19	21.93	0.01
Farms by Geography	978	0.00	41.21	51.33	7.46	0.00
Family Distribution by Income Level	83,255	17.56	18.59	25.44	38.42	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	30,092	0.00	28.64	61.82	9.54	0.00
Median Family Income	\$36,658	Median Housing Value Unemployment Rate				\$69,849
HUD Adjusted Median Family Income for 2000	\$57,800					3.40%
Households Below the Poverty Level	12.12%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 U.S. Census, and 2000 HUD updated MFI.

NB&T's Cincinnati MSA AA consists of Brown, Clermont, and Warren counties in their entirety, and is a portion of the Cincinnati MSA. These largely rural counties represent only 22 percent of the geographies of the Cincinnati MSA. Bank management determined that its branch structure is not sufficient to address the needs of the entire MSA. NB&T has ten offices located throughout the AA, and as of June 30, 2000, 55 percent of the bank's deposits were derived from this AA. Over the evaluation period, 44 percent of NB&T's home mortgage loans, 36 percent of its small loans to businesses and 30 percent of the bank's small loans to farms were derived from the AA.

NB&T's deposits in the Cincinnati MSA total approximately \$215 million. Based on FDIC market share data as of June 30, 2000, this equates to a 7.6 percent deposit market share that ranks NB&T as the fourth largest deposit taking institution in the AA. The three other largest deposit taking institutions consist of two large regional banks and another large community bank. These banks have a combined deposit market share of 35 percent.

NB&T also serves the AA with nine ATMs. All but one of the ATMs are located among the bank's branches. In addition, NB&T supports a large network of cash dispensing machines located primarily in gas stations and convenience stores within the AA. The bank also offers twenty-four hour telephone and on-line computer banking services.

The local economy is service and retail oriented. Construction is also a primary industry. The unemployment level for the Cincinnati MSA averaged 3.4 percent in 2000, compared to the state unemployment rate of 4.8 percent as of January 2001.

Two community contacts were made during the evaluation period. The contacts were both community service organizations. Both contacts stated that the primary community needs is for affordable housing. The supply of affordable homes in the AA is decreasing and home prices are increasing at a higher rate than low- and moderate-income wages. Opportunities for financial institutions include providing flexible lending products for low- and moderate-income homebuyers as well as funding loans to developers of affordable housing. One of the community service organizations constructs affordable housing for mostly low- and moderate-income senior citizens. Local banks play a large role in assisting in these projects by providing temporary funds to complete construction.

Based on the demographics of the Cincinnati MSA and the identified needs of more affordable housing, unmet credit and community development needs exist in the MSA. A limited level of community resources and opportunities for partnerships exist to facilitate activities to address the unmet credit and community development needs of the AA. Investment opportunities are generally limited to supporting local organizations through grants as is typical in more rural areas. These conclusions are based on discussions with local community service organizations, our review of CRA performance evaluations of other banks operating in the MSA, and discussions with bank management. Competition for community development loans, investments and services in the MSA is moderate and consists primarily of the larger regional and local financial institutions.

## Non-metropolitan Assessment Area

Demographic Information for Full-Scope Area: Non-metropolitan Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	22	0.00	18.18	81.82	0.00	0.00
Population by Geography	88,188	0.00	18.00	82.00	0.00	0.00
Owner-Occupied Housing by Geography	23,007	0.00	18.05	81.95	0.00	0.00
Businesses by Geography	3,109	0.00	17.43	82.57	0.00	0.00
Farms by Geography	914	0.00	14.44	85.56	0.00	0.00
Family Distribution by Income Level	24,700	23.00	18.74	24.91	33.35	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	10,310	0.00	22.94	77.06	0.00	0.00
Median Family Income	\$30,562	Median Housing Value Unemployment Rate				\$50,708
HUD Adjusted Median Family Income for 2000	\$45,300					4.49%
Households Below the Poverty Level	13.59%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 U.S. Census, and 2000 HUD updated MFI.

NB&T's non-metropolitan AA consists of Clinton and Highland counties in their entirety as well as small portions of Fayette and Adams counties. When determining the boundaries of the AA, bank management determined that its branch structure is not sufficient to address the needs of Fayette and Adams Counties in their entirety. NB&T has eight bank branches located throughout the AA. As of June 30, 2000, 45 percent of the bank's deposits were derived from this AA. Over the evaluation period, 47 percent of NB&T's home mortgage loans, 55 percent of its small loans to businesses and 60 percent of the bank's small loans to farms were derived from the AA.

NB&T's deposits in the non-metropolitan AA total approximately \$179 million. Based on FDIC market share data as of June 30, 2000 this equates to a 10.8 percent deposit market share that ranks NB&T as the third largest deposit taking institution in the AA. The two other largest deposit taking institutions consist of a large regional bank and another large community bank. These banks have a combined deposit market share of 31 percent.

NB&T also serves the AA with five ATMs. Three of the ATMs are located among the bank's branches. In addition, NB&T supports a large network of cash dispensing



machines located primarily in gas stations and convenience stores within the AA. The bank also offers twenty-four hour telephone and on-line computer banking services.

The local economy is service and agriculture oriented. Retail is also a primary industry. The economy is vibrant with a high demand for lower-waged service workers. The unemployment level for the non-metropolitan AA averaged 4.49 percent in 2000, which is comparable to the state unemployment rate of 4.8 percent as of January 2001. The favorable economic environment in the AA has created a need for housing for lower paid workers who have located to the area. One of the largest employers in the area, an air freight shipping company, must bus in workers from surrounding areas due to the inadequate supply of local workers. While there appears to be high demand for affordable housing, high construction costs, coupled with increased land values, provide little incentive for developers to construct affordable homes. While there is some lower-priced housing development activity, primarily in the form of modular housing, the lending opportunities for banks are considered limited. Of the existing housing stock, lower cost homes are often purchased for rental use, leaving little opportunity for lower-income borrowers who often don't qualify under conventional loan standards.

Four community contacts were made during the evaluation period. They consisted of a city administrator, a county planning organization, a local realtor and a community service organization. Each of these contacts named affordable housing as a primary community need.

Based on the demographics of the non-metropolitan AA and the identified needs of more affordable housing, unmet credit and community development needs exist in the AA. A limited level of community resources and opportunities for partnerships exists to facilitate activities to address the unmet credit and community development needs of the AA. Investment opportunities are generally limited to supporting local organizations through grants. Opportunities exist for financial institutions to provide flexible lending products for low-and moderate-income homebuyers as well as funding loans to developers of affordable housing. These conclusions are based on discussions with local community service organizations, our review of CRA performance evaluations of other banks operating in the AA, and discussions with bank management. Competition for community development loans, investments and services in the AA is moderate and consists primarily of the larger regional and local financial institutions.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “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 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 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 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 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 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. 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 \$500,000) 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. 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 be legally binding and tracked and recorded by the bank's financial reporting system.

**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: January 1, 1998 to December 31, 2000						
MSA/Assessment Area:	% of Rated Area Loans (#) in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MSA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Review:												
#1640 Cincinnati MSA	42.76	834	54,664	436	37,886	201	9,858	0	0	1,471	102,408	54.64
Non-metropolitan AA	57.24	902	55,140	666	40,862	401	15,074	0	0	1,969	111,076	45.36

(\*) Rated area refers to either the state or multistate MSA rating area.

(\*\*) The evaluation period for Community Development Loans is February 2, 1998 to March 26, 2001.

(\*\*\*) Deposit data as of 6/30/2000. Rated area refers to either the state or multistate MSA rating area.

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

Geographic Distribution: HOME PURCHASE		State: Ohio		Evaluation Period: January 1, 1998 to December 31, 2000											
MSA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***				
	#	% of Total*	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full-Review:															
#1640 Cincinnati MSA	239	35.72	0.00	0.00	18.63	30.54	61.30	53.56	20.06	15.90	0.73	0.00	2.02	0.70	0.40
Non-metropolitan AA	430	64.28	0.00	0.00	18.05	13.02	81.95	86.98	0.00	0.00	9.46	0.00	7.59	9.83	0.00

(\*) 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.

(\*\*) Percentage of Owner-Occupied Units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

(\*\*\*) Based on 1999 Aggregate HMDA Data only.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		State: Ohio					Evaluation Period: January 1, 1998 to December 31, 2000								
MSA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***				
	#	% of Total*	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full-Review:															
#1640 Cincinnati MSA	197	58.98	0.00	0.00	18.63	44.67	61.30	53.30	20.06	2.03	2.80	0.00	7.63	2.43	0.00
Non-metropolitan AA	137	41.02	0.00	0.00	18.05	5.84	81.95	94.16	0.00	0.00	11.09	0.00	3.17	12.34	0.00

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

(\*\*) Percentage of Owner-Occupied Units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

(\*\*\*) Based on 1999 Aggregate HMDA Data only.

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

Geographic Distribution: HOME MORTGAGE REFINANCE															State: Ohio		Evaluation Period: January 1, 1998 to December 31, 2000				
MSA/Assessment Area:	Total Homed Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***										
	#	% of Total*	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	Over all	Low	Mod	Mid	Upp						
Full-Review:																					
#1640 Cincinnati MSA	398	54.37	0.00	0.00	18.63	45.48	61.30	49.75	20.06	4.77	1.31	0.00	3.95	1.03	0.25						
Non-metropolitan AA	334	45.63	0.00	0.00	18.05	11.68	81.95	88.32	0.00	0.00	5.00	0.00	3.56	5.22	0.00						

(\*) 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.

(\*\*) Percentage of Owner-Occupied Units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.

(\*\*\*) Based on 1999 Aggregate HMDA Data only.



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

Geographic Distribution: SMALL LOANS TO BUSINESSES												State: Ohio		Evaluation Period: January 1, 1998 to December 31, 2000				
MSA/Assessment Area:	Total Small Loans To Businesses		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***							
	#	% of Total*	% of Businesses **	% BANK Loans	% of Businesses **	% BANK Loans	% of Businesses **	% BANK Loans	% of Businesses **	% BANK Loans	Overa ll	Low	Mod	Mid	Upp			
Full-Review:																		
#1640 Cincinnati MSA	436	39.56	0.00	0.00	16.88	24.08	61.19	61.01	21.93	14.91	5.53	0.00	12.16	5.48	3.47			
Non-metropolitan AA	666	60.44	0.00	0.00	17.43	2.85	82.57	97.15	0.00	0.00	25.20	0.00	4.08	31.12	0.00			

(\*) 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.

(\*\*) Source of Data-Dunn and Bradstreet.

(\*\*\*) Based on 1999 Aggregate Small Business Data only.

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

Geographic Distribution: SMALL LOANS TO FARMS															State: Ohio		Evaluation Period: January 1, 1998 to December 31, 2000				
MSA/Assessment Area:	Total Small Loans To Farms		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***										
	#	% of Total*	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Over all	Low	Mod	Mid	Upp						
Full-Review:																					
#1640 Cincinnati MSA	201	33.39	0.00	0.00	41.21	43.28	51.33	56.22	7.36	0.50	51.16	0.00	52.44	55.70	9.09						
Non-metropolitan AA	401	66.61	0.00	0.00	14.44	1.50	85.56	98.50	0.00	0.00	49.55	0.00	34.21	51.70	0.00						

(\*) 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.

(\*\*) Source of Data-Dunn and Bradstreet.

(\*\*\*) Based on 1999 Aggregate Small Farm Data only.

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

Borrower Distribution: HOME PURCHASE		State: OHIO		Evaluation Period: January 1, 1998 to December 31, 2000											
MSA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****				
	#	% of Total*	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	Over all	Low	Mod	Mid	Upp
Full-Review:															
#1640 Cincinnati MSA	239	35.72	17.56	12.55	18.59	25.94	25.44	30.96	38.42	29.71	0.73	1.04	1.04	0.80	1.00
Non-metropolitan AA	430	64.28	23.00	5.81	18.74	24.19	24.91	35.58	33.35	33.95	9.46	7.69	13.70	10.46	9.76

(\*) 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.

(\*\*) Percentage of Families is based on 1990 Census information.

(\*\*\*) As a percentage of loans with borrower income information available. No information was available for .1 percent of loans originated and purchased by the bank.

(\*\*\*\*) Based on 1999 Aggregate HMDA Data only.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		State: Ohio		Evaluation Period: January 1, 1998 to December 31, 2000											
MSA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****				
	#	% of Total*	% of Families **	% BANK Loans ***	% of Families **	% BANK Loans ***	% of Families **	% BANK Loans ***	% of Families **	% BANK Loans ***	Over all	Low	Mod	Mid	Upp
Full-Review:															
#1640 Cincinnati MSA	197	58.98	17.56	28.93	18.59	29.95	25.44	32.99	38.42	8.12	2.80	8.47	4.09	2.66	0.42
Non-metropolitan AA	137	41.02	23.00	18.25	18.74	27.01	24.91	26.28	33.35	27.74	11.09	19.57	12.24	7.97	11.59

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

(\*\*) Percentage of Families is based on 1990 Census information.

(\*\*\*) As a percentage of loans with borrower income information available. No information was available for .3 percent of loans originated and purchased by the bank.

(\*\*\*\*) Based on 1999 Aggregate HMDA Data only.

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

Borrower Distribution: HOME MORTGAGE REFINANCE		State: Ohio					Evaluation Period: January 1, 1998 to December 31, 2000								
MSA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****				
	#	% of Total*	% of Families **	% BANK Loans ***	% of Families **	% BANK Loans** *	% of Families **	% BANK Loans***	% of Families **	% BANK Loans ***	Over all	Low	Mod	Mid	Upp
Full-Review:															
#1640 Cincinnati MSA	398	54.37	17.56	12.81	18.59	26.88	25.44	27.64	38.42	32.16	1.31	2.87	1.69	1.48	1.25
Non-metropolitan AA	334	45.63	23.00	6.29	18.74	15.57	24.91	31.74	33.35	44.31	5.00	2.55	4.45	6.12	6.75

(\*) 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.

(\*\*) Percentage of Families is based on 1990 Census information.

(\*\*\*) As a percentage of loans with borrower income information available. No information was available for 1.3 percent of loans originated and purchased by the bank.

(\*\*\*\*) Based on 1999 Aggregate HMDA Data only.

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

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: Ohio		Evaluation Period: January 1, 1998 to December 31, 2000					
	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share****	
	#	% of Total*	% of Businesses**	% BANK Loans***	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less
Full-Review:									
#1640 Cincinnati MSA	436	39.56	87.41	82.34	79.82	11.01	9.17	5.53	7.64
Non-metropolitan AA	666	60.44	88.81	93.69	86.34	9.31	4.35	25.20	34.47

(\*) 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.

(\*\*) 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. No information was available for 0 percent of small loans to businesses originated and purchased by the bank.

(\*\*\*\*) Based on 1999 Aggregate Small Business Data only.

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

Borrower Distribution: SMALL LOANS TO FARMS		State: Ohio		Evaluation Period: January 1, 1998 to December 31, 2000					
	Total Small Loans to Farms		Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share****	
	#	% of Total*	% of Farms**	% BANK Loans***	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less
Full-Review:									
#1640 Cincinnati MSA	201	33.39	98.88	100.00	84.08	13.43	2.49	51.16	51.16
Non-metropolitan AA	401	66.61	98.25	100.00	91.77	6.98	1.25	49.55	50.30

(\*) 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.

(\*\*) 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. No information was available for 0% of small loans to farms originated and purchased by the bank.

(\*\*\*\*) Based on 1999 Aggregate Small Farm Data only.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS		State: Ohio		Evaluation Period: February 2, 1998 to March 26, 2001					
MA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Review:									
#1640 Cincinnati MSA	0	0	6	29	6	29	59.79	0	0
Non-metropolitan AA	0	0	7	20	7	20	40.21	0	0

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

(\*\*) "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.



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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																State: Ohio		Evaluation Period: February 2, 1998 to March 26, 2001			
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	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp				
Full-Review:																					
#1640 Cincinnati MSA	54.64	10	55.56	0.00	40.00	50.00	10.00	0	2	0	0	2	0	0.00	19.31	61.33	18.38				
Non-metropolitan AA	45.36	8	44.44	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	18.00	82.00	0.00				