



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

February 6, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The National Bank & Trust Company
Charter Number: 1997

48 North South Street
Wilmington, Ohio 45177

Office of the Comptroller of the Currency

Central Ohio Field Office
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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 Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

- The majority of loans originated during the evaluation period were from within the bank's four assessment areas (AAs).
- National Bank & Trust Company's (NB&T's) loan-to-deposit ratio is reasonable.
- The bank's record of lending to borrower's of different incomes and businesses of different sizes reflects reasonable distribution to borrowers of different incomes and businesses of different sizes
- The geographic distribution of loans reflects reasonable penetration.

Scope of Examination

Our office conducted a full scope Community Reinvestment Act (CRA) examination to assess the bank's record of meeting the credit needs of its entire community, including low- and moderate income areas. We used intermediate small bank CRA examination procedures to perform the examination. The evaluation under the lending test considered performance from January 1, 2009 through September 30, 2011 (lending evaluation period), excluding Community Development (CD) loans. The evaluation under the CD Test considered CD loans, investments, and services from March 31, 2008 to December 31, 2011.

The bank's performance in small business, small farm, and residential real estate lending is considered foremost in this CRA examination. We reviewed small business and small farm loans reported under CRA Small Business Small Farm data (CRA) and home purchase, home refinance and home improvement loans reported under the Home Mortgage Disclosure Act (HMDA). These are the bank's primary lending products as determined through review of the bank's loan originations and discussions with management. We reviewed both CRA and HMDA data from 2009 through 2011, as part of a data integrity review and determined the information was reliable.

The Cincinnati-Middletown Metropolitan Statistical Area (MSA) Assessment Areas (AA) and Wilmington Non MSA AA were weighted equally and received full-scope reviews. The Dayton MSA AA and Cleveland MSA AA were subjected to limited review and weighted less heavily in this evaluation due to their limited respective deposit market shares and limited combined loan originations during this evaluation period (less than 6% of total loans).

Selection of Areas for Full-Scope Review

We selected the Cincinnati-Middletown MSA AA and Wilmington Non MSA AA assessment areas for full-scope reviews. These AA's were responsible for the majority of the bank's loans and deposits during the review period. The Cincinnati-Middletown MSA AA was responsible for 58% of deposits and 52% of home mortgage loans during the review period, while the Wilmington Non MSA AA was responsible for 39% of deposits and 42% of home mortgage loans. Additionally, the majority of the bank's branch offices are located in either the

Cincinnati-Middletown MSA AA (58%), or Wilmington Non MSA AA (33%). On a combined basis, The Dayton MSA and Cleveland MSA AAs have two one-branch offices, or 9% of the bank's total branch offices.

The primary difference between a full-scope and a limited-scope review is that qualitative analysis of the bank's performance is performed for full-scope AAs. Full-scope reviews consider complete performance context information, quantitative factors, and qualitative factors. Limited-scope AAs are primarily analyzed using quantitative factors with performance context data limited to the comparable demographics in the standardized tables.

One community contact with a local (Wilmington Non-MSA AA) not-for-profit community service organization was conducted as part of this examination. The individual interviewed indicated that local economic conditions were strained. The primary credit need in the community was affordable housing. NB&T was complimented as one institution that is very involved in its local community.

Description of Institution

The National Bank & Trust Company (NB&T) is an independent intrastate community bank, which is wholly owned by NB&T Financial Group Inc., a one-bank holding company. Both the main office and holding company are headquartered in Wilmington, Ohio, which is located 50 miles northeast of Cincinnati, Ohio. The bank has a total of 23 full service branches with automatic teller machines (ATMs) at 17 of these branches. In addition, there are five stand alone ATMs. Five branches are located in upper-income census tracts (CTs), 15 branches are located in middle-income CTs, and three branches are located in moderate-income CTs. As of December 31, 2011, NB&T reported total assets of \$675 million and Tier 1 capital of \$70 million, or 10.40% of total assets per the Report of Condition and Income.

NB&T's primary business focus is commercial/retail banking. The bank offers a variety of standard lending products and services through their full service banking offices to accommodate the credit needs of borrowers throughout its AAs.

In March of 2010, as part of the American National Bank acquisition, NB&T acquired a branch location in Parma, Ohio. In December of 2009, Community National Corporation was merged into NB&T, resulting in the acquisition of five branch locations.

During the evaluation period NB&T opened or acquired eight branch locations. One branch location acquired as part of the Community National Bank merger is located in a moderate-income geography. During the evaluation period NB&T closed three branch locations; none of these were located in low- or moderate-income AAs.

Presently, no legal or financial impediments exist that restrict the institution's ability to serve the community's credit needs. NB&T earned a rating of "Satisfactory" at the prior CRA examination dated March 3, 2008.

The bank's primary lending products are business loans, consumer loans and agriculture loans. The table below reflects the bank's total loans originated between January 1, 2009 and September 30, 2011.

Primary Loan Types		
Loans Originated/Purchased from January 1, 2009 to September 30, 2011		
Loan Type	Percent by Number of Loans	Percent by Dollar of Loans
Home Loans	30%	28%
Business Loans	44%	53%
Agriculture Loans	26%	19%
TOTA Total	100%	100%

Source: Internal bank reports

Description of Assessment Area(S)

NB&T has four AAs. NB&T's AAs consist of all census tracts (CTs) in Clinton and Highland Counties (Wilmington Non MSA AA), portions of Montgomery County and all CTs in Greene County (Dayton MSA AA 19380), all of Brown, Clermont and Warren Counties (Cincinnati-Middletown MSA AA 17140), and all of Cuyahoga County (Cleveland MSA AA 17460).

The Wilmington Non MSA AA

The Wilmington Non MSA AA consists of Clinton and Highland Counties. The AA has eight banking offices, seven in Clinton County, and one in Highland County. All of the banking offices are located in middle-income geographies. NB&T ranks third in deposit market share for this AA with 10.78% of deposits per FDIC (Federal Deposit Insurance Corporation) deposit market share data for June 30, 2011. NB&T's main office is located in Wilmington, Ohio the county seat of Clinton County. The AA contains 18 census tracts (CT) and does not contain any low-income geographies.

Based upon 2000 Census data (updated as of 2011), the Wilmington Non MSA AA consists of one moderate-income CT (5.5%), 16 middle-income CTs (88.9%), and one upper income CT (5.5%). The AA meets the requirement of the CRA, and does not arbitrarily exclude low- or moderate income geographies.

The updated median family income for this AA is \$52,900 and the AA has 22,552 families. Of the 34,160 housing units, 65% are owner occupied. Of these owner-occupied units, 5.95% are in moderate-income CTs, 87.82% are in middle-income CTs, and 6.23% are in upper-income CTs. Approximately 10.92% of the households are living below the poverty level, 28.44% receive Social Security, and 17.79% are retired. The median housing value is \$88,881 and the average median age of housing stock is 33 years. The weighted average monthly gross rent is \$466.

Competition in the area is strong due to numerous community banks, savings and loans institutions, as well as branches of larger regional banks.

The economic conditions of the AA are strained. As of December 30, 2011, the unemployment rate for Clinton County was 11.1%, while the average for Highland County was 10.8%. Ohio's state average unemployment for the same date was 8.1%. The largest sectors of employment in the AA are the trade industry, transportation, and local government. Major employers in the AA are R&L Carriers, Ahresty Wilmington Corporation, Wilmington City Schools, and Wal-Mart Stores Inc.

The Cincinnati-Middletown MSA AA

The Cincinnati-Middletown AA consists of Brown, Clermont, and Warren Counties. The AA has 14 banking offices. Three banking offices are located in Brown County, four banking offices are in Clermont County, and seven are located in Warren County. In this AA, NB&T has three banking offices in moderate-income geographies (21.4%), seven banking offices in middle-income geographies (50%) and four banking offices located in upper-income geographies (28.6%). NB&T ranks fifth in deposit market share in the AA with 7.45% of deposits per FDIC (Federal Deposit Insurance Corporation) deposit market share data for June 30, 2011. The AA contains 73 CTs and does not contain any low-income geographies. All counties are adjacent to Clinton County.

Based upon 2000 Census data (updated as of 2011), the Cincinnati-Middletown MSA AA consists of 15 moderate-income CTs (20.6%), 37 middle-income CTs (50.7%), 20 upper-income CTs (27.4%) and one geography designated as not applicable. The CTs in the AA are contiguous. The AA meets the requirement of the CRA, and does not arbitrarily exclude low- or moderate income geographies.

The updated median family income for this AA is \$70,400 and the AA has 104,483 families. Of the 145,111 housing units, 73% are owner occupied. Of these owner-occupied units, 17% are in moderate-income geographies, 50.8% are in middle-income geographies, and 32.2% are in upper-income geographies. Approximately 6.8% of the households are living below the poverty level, 21.9% receive Social Security, and 16.8% are retired. The median housing value is \$124,412, the average median age of housing stock is 35 years, and the average monthly gross rent is \$573.

Competition in the area is strong due to numerous community banks, savings and loans institutions, as well as branches of larger regional and midsize banks.

The economic conditions of the AA are mixed. As of December 30, 2011, the unemployment rate for Brown County was 10.8%, 7.8% for Clermont County, and 7.0% for Warren County. Ohio's state average unemployment for the same date was 8.1%. The largest sectors of employment in the AA are as follows: Brown County – local government and the services industry; Clermont County – services industry followed by local government; and Warren County- manufacturing followed by the services industry.

The Dayton MSA AA

The Dayton MSA AA consists of the southern third of Montgomery County and all of Greene County. The AA has one banking office located in Montgomery County in an upper-income geography. NB&T's deposit market share for this AA ranks 20th out of 22 FDIC insured institutions per FDIC's June 30, 2011 Deposit Market Share data. The AA contains 45 CTs and does not contain any low- income geographies. .

Based upon 2000 Census data (updated as of 2011), the Dayton MSA AA consists of six moderate-income CTs (13.3%), 21 middle-income CTs (46.7%), and 18 upper-income CTs (40%). The CTs in the AA are contiguous. The AA meets the requirement of the CRA, and

does not arbitrarily exclude low- or moderate income geographies

The updated median family income for this AA is \$62,400 and the AA has 60,792 families. Of the 91,743 housing units, 66.4% are owner-occupied. Of these owner-occupied units, 8.9% are in moderate -income geographies, 37.9% are in middle-income geographies, and 53.3% are in upper-income geographies. Approximately 7.5% of the households are living below the poverty level, 22.3% receive Social Security, and 22.5% are retired. The median housing value is \$128,191. The average median age of housing stock is 40 years and the average monthly gross rent is \$617.

Competition in the area is strong due to numerous community banks, savings and loans institutions, as well as branches of larger regional and midsize banks.

The economic conditions of the AA are mixed. As of December 30, 2011, the unemployment rate for Montgomery County was 8.5%, and 7.6% for Greene County. Ohio's state average unemployment for the same date was 8.1%. The largest sectors of employment in the AA are as follows: Montgomery County- education and health services, followed by professional and business services; Greene County – federal government, followed by professional and business services.

The Cleveland MSA AA

The Cleveland MSA AA consists of Cuyahoga County. The AA has one banking office located in Parma, Ohio, which is in a middle-income geography. NB&T ranks 24th of 29 FDIC insured institutions in the AA, with less than .05% of deposits in the AA per FDIC's Deposit Market Share data for June 30, 2011. The AA contains 501 CTs and contains 108 low-income CTs and 117 moderate-income geographies. The AA meets the requirement of the CRA, and does not arbitrarily exclude low- or moderate income geographies

Based upon 2000 Census data (updated as of 2011), the Cleveland MSA AA consists of 108 low-income CTs (21.6%), 117 moderate-income CTs (23.4%), 156 middle-income CTs (31.1%), 111 upper-income CTs (22.2%), and 9 CTs are identified as not applicable. The updated median family income for this AA is \$62,800 and the AA has 356,221 families. Of the 616,903 housing units, 58.5% are owner-occupied. Of the owner-occupied units, 7.5% are in low-income CTs, 15.5% are in moderate-income CTs, 42.9% are in middle-income CTs, and 34% are in upper-income CTs. Approximately 12.7% of the households are living below the poverty level, 28.3% receive Social Security, and 18.3% are retired. The median housing value is \$114,909, and the average median age of housing stock is 58 years. The weighted average monthly rent is \$545.

Competition in the area is strong due to numerous community banks, savings and loans institutions, as well as branches of regional banks and midsize banks.

The economic condition of the AA is mixed. As of December 30, 2011, the unemployment rate for Cuyahoga County was 7.1%, versus Ohio's statewide average of 8.1%. While the area has seen improvement in employment figures, high foreclosure rates continue to dampen the region's recovery. The largest sectors of employment in the AA are: education and health services, manufacturing, and professional and business services.

Conclusions with Respect to Performance Tests

LENDING TEST

NB&T's lending test is rated satisfactory based upon full-scope reviews of the Cincinnati-Middletown MSA AA and Wilmington Non MSA AA, and limited scope reviews of the Dayton MSA AA and Cleveland MSA AA. Less weight was given to the Dayton and Cleveland MSA AAs due to the deposit market share of less than 2% each and less than 5% of NB&T's total home loans.

Loan to Deposit Ratio

NB&T's loan-to-deposit ratio (LTD) is reasonable and meets the standard for satisfactory performance. The average LTD ratio, calculated over the last 16 quarters since the prior CRA examination (March 31, 2008 through December 31, 2011) of 73.55%, is reasonable. NB&T's highest LTD ratio was 81.96% at September 30, 2008, and its the lowest was 67.84% at December 31, 2011. NB&T's current (67.84% at December 31, 2011), and 16-quarter average LTD ratios are comparable to similarly situated institutions whose average LTD ratios (over the same 16 quarter period) ranged from 47.27% to 95.86%.

Lending in Assessment Area

NB&T's record of lending within its AA is reasonable and supports satisfactory performance. A majority of NB&T's lending activity occurs within its AA, as indicated in Table 1 below. Based upon the HMDA residential mortgage loans and CRA small business and small farm loans originated during the evaluation period, NB&T made 86% of the number and 80% of the dollar amount within its AA. (Refer to Table 1 for more details).

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	114	82%	25	18%	139	10,985	73%	4,063	27%	15,048
Home Refinance	299	90%	35	10%	334	38,582	84%	7,350	16%	45,932
Home Improvement	82	95%	4	5%	86	760	94%	52	6%	812
Small Business	669	81%	156	19%	825	87,492	75%	28,520	25%	116,012
Farm	446	93%	34	7%	480	39,180	93%	2,964	7%	42,144
Totals	1,610	86%	254	14%	1,864	176,999	80%	42,949	20%	219,948

Source: HMDA and CRA Small Business/Small Farm loans originated from January 1, 2009 to September 30, 2011

Conclusions for Areas Receiving Full-Scope Reviews

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

- NB&T's record of lending to borrower's of different incomes and businesses and farms of different sizes reflects reasonable distribution.

NB&T's lending to borrowers of different incomes, including low-and moderate-income borrowers, for residential real estate mortgage loans is reasonable and supports satisfactory performance for both the Cincinnati-Middletown MSA AA and Wilmington Non MSA AA.

NB&T's lending to businesses and farms of different sizes is reasonable for the Cincinnati-Middletown MSA AA and excellent for the Wilmington Non MSA AA.

Cincinnati-Middletown MSA AA

NB&T's lending to borrowers of different incomes, including low-and moderate-income borrowers, for residential real estate mortgage loans reflects reasonable penetration and supports satisfactory performance in this AA. . NB&T's distribution of loans to businesses and farms of different sizes in this AA is reasonable and supports satisfactory performance.

Borrower Distribution of Home Purchase Loans in the Cincinnati-Middletown MSA AA

NB&T's borrower distribution of home purchase loans in this AA reflects reasonable penetration among borrowers of different incomes and supports satisfactory performance. Analysis of 2000 census data and home purchase loan originated during the evaluation period revealed that NB&T's percentage of home purchase loans made to low-income borrowers (17.8%) was slightly greater than the percentage of low- income families in the AA (15.9%). In addition, the percentage of home purchase loans to moderate-income borrowers (31.1%) was significantly greater than the percentage of moderate-income families in the AA (18.1%). Home purchase loans represented 18% of NB&T's total home loan activity in this AA. (Refer to Table 2 in Appendix A).

Borrower Distribution of Home Improvement Loans in the Cincinnati-Middletown MSA AA

NB&T's borrower distribution of home improvement loans in this AA reflects outstanding penetration among borrowers of different income and supports excellent performance. NB&T's percentage of home improvement loans to low-income borrowers (27.9%) is significantly greater than the percentage of low-income families in the AA (15.9%). The percentage of loans to moderate-income borrowers (20.9%) is slightly greater than the percentage of moderate-income families in the AA (18.1%). Home improvement loans represented 17% of NB&T's total home loan activity in this AA. (Refer to Table 3 in Appendix A).

Borrower Distribution of Home Refinance Loans in the Cincinnati-Middletown MSA AA

NB&T's borrower distribution of home refinance loans in this AA reflects reasonable penetration among borrowers of different income and supports satisfactory penetration. The

bank's percentage of refinance loans to low-income (7.8%) borrowers is less than the percentage of low-income families in the AA (15.9%). NB&T's percentage of refinance loans to moderate-income borrowers (22.1%) is slightly greater than the percentage of moderate-income families in the AA (18.1%). Home refinance loans represented 65% of NB&T's total home loan activity in this AA. (Refer to Table 4 in Appendix A).

Borrower Distribution of Loans to Small Business and Small Farm Loans in the Cincinnati-Middletown MSA AA

NB&T's borrower distribution of loans to small businesses meets the standard for satisfactory performance. The bank's percentage of small loans to businesses reporting revenues of less than \$1 million (72.83%), is slightly less than the percentage of businesses reporting revenues less than \$1 million (78.9%). . NB&T's borrower distribution of loans to small farms loans (99%) was consistent to the percentage of farms reporting revenues less than \$1 million (98.90%) Refer to Tables 5 and 6 in Appendix A).

Wilmington Non MSA AA

The borrower distribution of residential loans reflects reasonable penetration among individuals of different incomes, including low- and moderate-income borrowers, and supports satisfactory performance. NB&T's distribution to businesses and farms of different sizes demonstrates excellent penetration and reflects outstanding performance.

Borrower distribution of Home Purchase Loans in the Wilmington Non MSA AA

NB&T's borrower distribution of home purchase loans in the Wilmington Non MSA AA reflects reasonable penetration among borrowers of different incomes and supports satisfactory performance. Analysis of 2000 census data and home purchase loan originated during the evaluation period revealed that NB&T's percentage of home purchase loans made to low-income borrowers (6.9%) was significantly less than the percentage of low-income families in the AA (17.8%). The poor penetration of home purchase loans to low-income borrowers may be attributable to a high percentage of families living below the poverty level (11%). The bank's home purchase distribution to moderate income borrowers of (39.7%) is significantly greater than the percentage of moderate-income families (18.3%). Home purchase lending represented 28% of NB&T's total home loan activity in this AA. (Refer to Table 2 in Appendix A).

Borrower distribution of Home Improvement Loans in the Wilmington Non MSA AA

NB&T's borrower distribution of home improvement loans in the Wilmington Non MSA AA is reasonable and supports satisfactory performance. NB&T's percentage of home improvement loans to low-income borrowers in the Wilmington Non MSA AA (18.4%) is slightly above the percentage of low-income families in the AA (17.8%). The bank's percentage of home improvement loans to moderate-income borrowers of (18.4%) is equal to the percentage of moderate-income families in the AA (18.3%). Home improvement lending represented 18% of NB&T's total home loan activity in this AA. (Refer to Table 3 in Appendix A).

Borrower distribution of Refinance Loans in the Wilmington Non MSA AA

NB&T's borrower distribution of refinance loans in the Wilmington Non MSA AA, reflect poor penetration. NB&T's percentage of refinance loans to low-income borrowers (5.4%) is significantly less than the percentage of low-income families in the AA (17.8%). This poor penetration to low-income borrowers may be attributable to a high percentage of families living below the poverty level (11%). The bank's percentage of refinance loans to moderate-income borrowers (14.4%), is slightly less than the percentage of moderate-income families in the AA (18.3%). Home refinance lending represented 54% of total home loan activity in this AA. (Refer to Table 4 in Appendix A).

Borrower distribution of Loans to Small Businesses and Small Farms in the Wilmington Non MSA AA

NB&T's borrower distribution of loans to small businesses and small farms for the Wilmington Non MSA AA meets the standard for satisfactory performance. The bank's percentage of small loans to businesses reporting revenues of less than \$1 million (86%) is slightly greater than the percentage of businesses reporting revenues of less than \$1 million in this AA (79%). (Refer to Table 5 in Appendix A). NB&T's borrower distribution of farms loans (99%) was equal to the percentage of farms reporting revenues less than \$1 million in this AA (99%). (Refer to Table 6 in Appendix A).

Geographic Distribution of Loans

Overall, the bank's performance in lending to geographies of different income levels within its AAs, including low-and moderate-income areas, reflects reasonable penetration and meets the standard for satisfactory performance. To determine the conclusion for this area, we gave greater weight to NB&T's lending in the Cincinnati MSA AA compared to its lending in the Wilmington Non-MSA AA. NB&T's home mortgage lending in the Cincinnati MSA AA (52%) was greater than its lending in the Wilmington Non-MSA AA (42%). Also, the Cincinnati MSA AA has a greater percentage of moderate-income CTs (20.6%) than the Wilmington Non-MSA AA (5.5%).

Geographic Distribution of Loans in the Cincinnati MSA AA

Overall, NB&T's performance in lending in geographies of different income levels within the Cincinnati MSA AA, reflects reasonable dispersion, and meets the standard for satisfactory performance.

Geographic distribution of home purchase loans in the Cincinnati MSA AA

NB&T's geographic distribution of home purchase loans in moderate income geographies in the Cincinnati MSA AA is slightly greater than the percentage of owner-occupied units and meets the standard for satisfactory performance. The bank's percentage of home purchase loans in moderate-income geographies (23%) is slightly greater than the percentage of owner-occupied units in those moderate-income geographies (17%). (Refer to Table 7 in Appendix A).

Geographic distribution of home improvement loans in the Cincinnati MSA AA

NB&T's geographic distribution of home improvement loans in the Cincinnati MSA AA in moderate-income geographies (35%) is significantly greater than the percentage of owner-occupied units in those geographies (17%) and exceeds the standard for satisfactory performance (Refer to Table 8 in Appendix A).

Geographic distribution of home mortgage refinance loans in the Cincinnati MSA AA

NB&T's geographic distribution of refinance loans in the Cincinnati MSA AA in moderate-income geographies (20%) is slightly greater than the percentage of owner-occupied units in those geographies (17%) and meets the standard for satisfactory performance. (Refer to Table 9 in Appendix A).

Geographic distribution of loans to business and farms in the Cincinnati MSA AA

NB&T's geographic distribution of loans to businesses in the Cincinnati MSA AA is reasonable and meets the standard for satisfactory performance. The bank's percentage of loans (20%) is slightly greater than the percentage of businesses in moderate-income geographies (15%) in the AA. (Refer to Table 10 in Appendix A).

NB&T's geographic distribution of loans to farms in the Cincinnati MSA AA is excellent and exceeds the standard for satisfactory performance. The bank's percentage of loans to farms (36%), exceeds the percentage of farms in moderate-income geographies (22%). (Refer to Table 11 in Appendix A).

Geographic Distribution of Loans in the Wilmington Non MSA AA

NB&T's performance in lending in geographies of different income levels within the Wilmington Non MSA AA reflects poor penetration and does not meet the standard for satisfactory performance.

Geographic distribution of home purchase loans in the Wilmington Non MSA AA

NB&T's geographic distribution of home purchase loans in moderate-income geographies in the Wilmington Non MSA AA (9%) is slightly more than the percentage of owner-occupied units those geographies (6%) and meets the standard for satisfactory performance (Refer to Table 7 in Appendix A).

Geographic distribution of home improvement loans in the Wilmington Non MSA AA

NB&T's geographic distribution of home improvement loans in the Wilmington Non MSA AA (0%) is less than the percentage of owner-occupied units in those geographies (6%) and does not meet the standard for satisfactory performance (Refer to Table 8 in Appendix A).

Geographic distribution of home mortgage refinance loans in the Wilmington Non MSA AA

NB&T's geographic distribution of refinance loans in the Wilmington Non MSA AA (1%) is significantly less than the percentage of owner-occupied units in those geographies (6%) and does not meet the standard for satisfactory performance (Refer to Table 9 in Appendix A).

Geographic distribution of loans to business in the Wilmington Non MSA AA

NB&T's geographic distribution of loans to businesses in the Wilmington Non MSA AA is reasonable and meets the standard for satisfactory performance. The bank's percentage of loans to businesses in moderate-income geographies (1%), is slightly less than the percentage of businesses in moderate-income geographies in the AA (3%) (Refer to Table 10 in Appendix A) .

Geographic distribution of loans to farms in the Wilmington Non MSA AA

NB&T's geographic distribution of loans to farms in the Wilmington Non MSA AA is reasonable and meets the standard for satisfactory performance. The bank's percentage of loans to farms in moderate-income geographies (0%) is slightly less than the percentage of farms located in moderate-income geographies (2%) in this AA (Refer to Table 11 in Appendix A) .

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope reviews, the bank's performance in the Dayton MSA AA, and Cuyahoga MSA AA is weaker than bank's performance in either the Cincinnati or Wilmington AAs. The bank's performance in the Dayton MSA AA and Cuyahoga MSA AA is not consistent with the bank's satisfactory performance in either the Cincinnati MSA AA or the Wilmington Non MSA AA. The bank's weaker performance is due primarily to the bank's limited branch offices in the Dayton MSA AA and the Cuyahoga MSA AA. The results of the limited-scope review, for either AA did not have a negative impact on the bank's overall Lending Test rating.

Responses to Complaints

NB&T has not received any complaints regarding its performance in helping to meet the credit needs of its assessment areas during this evaluation period.

COMMUNITY DEVELOPMENT TEST

NB&T's CD performance is satisfactory. NB&T has demonstrated adequate responsiveness to CD needs through CD donations, loans, and services. This conclusion was based on NB&T's capacity and the needs/availability of CD opportunities in its AAs.

The evaluation period of CD loans, investments, and services was from March 2008 to December 31, 2011.

Number and Amount of Community Development Loans

During the evaluation period NB&T originated one community development loan in the Cincinnati MSA AA. NB&T originated a \$2,470,000 loan to Global Scrap Management. The location has been designated as a Rural Community Development Area, and the loan resulted in the creation of 16 new jobs.

Number and Amount of Qualified Investments

During the evaluation period, NB&T purchased one Wilmington City School Energy Conservation Bond (Wilmington Non MSA AA) \$265,000.

Number and Amount of Qualified Grants and Donations

The number and amount of qualified investments/donations is satisfactory. During the evaluation period, NB&T made donations totaling \$148,840 to for qualified CD purposes.

Extent of Community Development Services

CD Services provided by the bank represent adequate responsiveness and demonstrate satisfactory performance.

The bank's delivery systems are reasonably accessible to all geographies and individuals of different income levels in the bank's AAs. NB&T has 23 full-service branches, five branches are in upper-income geographies, 15 are in middle-income geographies, and 3 are in moderate-income geographies. NB&T has 17 automated teller machines which are positioned at the branch offices. Additionally, the bank has 6 stand alone automated teller machines all located in upper-income (1) or middle-income geographies (5).

NB&T is well represented in community groups attempting to assess and meet the credit needs of its community. NB&T employees serve on 15 committees in its AAs that address the credit needs of its communities including; economic development, small business attraction and retention, hunger and affordable housing and homelessness.

Responsiveness to Community Development Needs

NB&T is adequately responsive to the CD needs of its AAs through lending and services. They offer low/no down payment mortgages to facilitate homeownership to 1st time and low/moderate-income borrowers via programs offered by the Federal Housing Administration, United States Department of Agriculture (USDA) and the Veterans Administration. NB&T has also been designated as a Preferred Lender Program by the Small Business Administration (SBA). During the evaluation period, NB&T originated \$20.1 million in SBA loans and 2.7 million in USDA guaranteed loans.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Dayton MSA AA and Cuyahoga MSA AA is weaker than the bank's performance in either the Cincinnati MSA AA or Wilmington Non MSA AA. The bank's performance in the Dayton and Cuyahoga AAs is not consistent with the bank's overall satisfactory performance under the CD Test.

Fair Lending or Other Illegal Credit Practices Review

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

Table 1. Lending Volume

LENDING VOLUME 2011		Geography: NB&T WILMINGTON OH						Evaluation Period: JANUARY 1, 2009 TO SEPTEMBER 30,				
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Cincinnati MSA AA	46.15	258	27,236	386	53,324	99	8,470	0	0	743	89,030	0.00
Wilmington Non MSA	41.12	210	17,500	223	23,138	229	18,106	0	0	662	58,744	0.00
Limited Review:												
Cuyahoga County AA	0.93	1	180	13	3,534	1	105	0	0	15	3,819	0.00
Dayton AA 2011	11.80	26	5,411	47	7,496	117	12,499	0	0	190	25,406	0.00

Table 2. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 30, 2011		Geography: NB&T WILMINGTON OH						Evaluation Period: JANUARY 1, 2009 TO September							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Cincinnati MSA AA	47	41.23	15.91	17.78	18.15	31.11	23.86	26.67	42.09	24.44	0.36	0.62	0.40	0.32	0.27
Wilmington Non MSA	58	50.88	17.80	6.90	18.31	39.66	24.42	25.86	39.46	27.59	2.24	1.59	2.89	2.60	1.38
Limited Review:															
Cuyahoga County AA	1	0.88	23.77	0.00	18.46	0.00	21.07	0.00	36.71	100.00	0.01	0.00	0.00	0.00	0.03
Dayton AA 2011	8	7.02	13.32	12.50	15.41	0.00	21.34	37.50	49.94	50.00	0.07	0.00	0.00	0.13	0.07

Table 4. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE SEPTEMBER 30, 2011		Geography: NB&T WILMINGTON OH								Evaluation Period: JANUARY 1, 2009 TO					
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans***	% Families ³	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans***	Overa 	Low	Mod	Mid	Upp
Full Review:															
Cincinnati MSA AA	168	56.19	15.91	7.78	18.15	22.16	23.86	30.54	42.09	39.52	0.42	0.49	0.56	0.69	0.26
Wilmington Non MSA	114	38.13	17.80	5.41	18.31	14.41	24.42	30.63	39.46	49.55	3.16	1.43	1.52	4.08	3.48
Limited Review:															
Cuyahoga County AA	0	0.00	23.77	0.00	18.46	0.00	21.07	0.00	36.71	0.00	0.00	0.00	0.00	0.00	0.00
Dayton AA 2011	17	5.69	13.32	13.33	15.41	13.33	21.34	6.67	49.94	66.67	0.13	0.00	0.23	0.07	0.13

Table 5. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES SEPTEMBER 30, 2011		Geography: NB&T WILMINGTON OH			Evaluation Period: JANUARY 1, 2009 TO				
Assessment Area:	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:									
Cincinnati MSA AA	386	57.70	78.94	72.80	67.10	15.03	17.88	2.40	5.33
Wilmington Non MSA	223	33.33	79.36	85.65	76.23	12.11	11.66	10.93	24.57
Limited Review:									
Cuyahoga County AA	13	1.94	73.05	76.92	46.15	23.08	30.77	0.06	0.16
Dayton AA 2011	47	7.03	74.42	76.60	57.45	25.53	17.02	0.30	0.85

Table 6. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS SEPTEMBER 30, 2011		Geography: NB&T WILMINGTON OH				Evaluation Period: JANUARY 1, 2009 TO			
Assessment Area:	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 \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Cincinnati MSA AA	99	22.20	97.90	98.99	76.77	16.16	7.07	31.25	39.22
Wilmington Non MSA	229	51.35	99.53	99.13	75.98	18.78	5.24	47.37	53.33
Limited Review:									
Cuyahoga County AA	1	0.22	96.07	100.00	0.00	100.00	0.00	0.00	0.00
Dayton AA 2011	117	26.23	97.92	95.73	62.39	27.35	10.26	30.77	36.00

Table 7. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE SEPTEMBER 30, 2011		Geography: NB&T WILMINGTON OH								Evaluation Period: JANUARY 1, 2009 TO					
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:															
Cincinnati MSA AA	47	41.23	0.00	0.00	17.04	23.40	50.76	53.19	32.20	23.40	0.35	0.00	0.68	0.47	0.15
Wilmington Non MSA	58	50.88	0.00	0.00	5.95	8.62	87.82	87.93	6.23	3.45	2.04	0.00	0.00	2.37	0.00
Limited Review:															
Cuyahoga County AA	1	0.88	7.54	0.00	15.52	0.00	42.85	0.00	34.09	100.00	0.01	0.00	0.00	0.00	0.02
Dayton AA 2011	8	7.02	0.00	0.00	8.88	12.50	37.86	62.50	53.26	25.00	0.06	0.00	0.00	0.18	0.00

Table 8. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT SEPTEMBER 30, 2011		Geography: NB&T WILMINGTON OH								Evaluation Period: JANUARY 1, 2009 TO					
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Cincinnati MSA AA	43	52.44	0.00	0.00	17.04	34.88	50.76	53.49	32.20	11.63	5.03	0.00	15.56	5.81	0.71
Wilmington Non MSA	38	46.34	0.00	0.00	5.95	0.00	87.82	94.74	6.23	5.26	24.59	0.00	0.00	24.53	28.57
Limited Review:															
Cuyahoga County AA	0	0.00	7.54	0.00	15.52	0.00	42.85	0.00	34.09	0.00	0.00	0.00	0.00	0.00	0.00
Dayton AA 2011	1	1.22	0.00	0.00	8.88	0.00	37.86	0.00	53.26	100.00	0.00	0.00	0.00	0.00	0.00

Table 9. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE SEPTEMBER 30, 2011			Geography: NB&T WILMINGTON OH						Evaluation Period: JANUARY 1, 2009 TO						
Assessment Area:	Total Home 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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Cincinnati MSA AA	168	56.19	0.00	0.00	17.04	20.24	50.76	54.76	32.20	25.00	0.38	0.00	1.17	0.52	0.17
Wilmington Non MSA	114	38.13	0.00	0.00	5.95	0.88	87.82	90.35	6.23	8.77	2.77	0.00	0.00	3.13	0.69
Limited Review:															
Cuyahoga County AA	0	0.00	7.54	0.00	15.52	0.00	42.85	0.00	34.09	0.00	0.00	0.00	0.00	0.00	0.00
Dayton AA 2011	17	5.69	0.00	0.00	8.88	0.00	37.86	29.41	53.26	70.59	0.11	0.00	0.00	0.13	0.11

Table 10. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES SEPTEMBER 30, 2011			Geography: NB&T WILMINGTON OH								Evaluation Period: JANUARY 1, 2009 TO				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Cincinnati MSA AA	386	57.78	0.00	0.00	15.30	20.47	48.46	57.51	36.23	22.02	2.40	0.00	4.55	3.20	1.20
Wilmington NonMSA	223	33.38	0.00	0.00	3.22	0.90	90.26	92.38	6.52	6.73	10.93	0.00	0.00	11.93	8.82
Limited Review:															
Cuyahoga County AA	12	1.80	10.59	16.67	17.44	0.00	33.54	83.33	37.43	0.00	0.06	0.18	0.00	0.12	0.00
Dayton AA 2011	47	7.04	0.00	0.00	7.47	19.15	34.02	40.43	58.51	40.43	0.30	0.25	0.00	0.57	0.23

Table 11. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS SEPTEMBER 30, 2011		Geography: NB&T WILMINGTON OH								Evaluation Period: JANUARY 1, 2009 TO					
Assessment Area:	Total Small Farm Loans		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	Overall	Low	Mod	Mid	Upp
Full Review:															
Cincinnati MSA AA	99	22.20	0.00	0.00	22.46	36.36	53.54	55.56	24.01	8.08	31.25	0.00	40.54	31.88	13.64
Wilmington Non MSA	229	51.35	0.00	0.00	1.71	0.00	85.38	63.32	12.91	36.68	47.37	0.00	0.00	47.17	51.16
Limited Review:															
Cuyahoga County AA	1	0.22	3.85	0.00	11.38	100.00	41.17	0.00	43.35	0.00	0.00	0.00	0.00	0.00	0.00
Dayton AA 2011	117	26.23	0.00	0.00	6.08	1.71	55.68	83.76	38.24	14.53	30.77	0.00	12.50	31.63	36.36

Cincinnati MSA AA

Demographic Information for Full Scope Area: Cincinnati MSA AA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	73	0.00	20.55	50.68	27.40	1.37
Population by Geography	378,645	0.00	18.20	51.74	30.04	0.02
Owner-Occupied Housing by Geography	105,673	0.00	17.04	50.76	32.20	0.00
Business by Geography	23,961	0.00	15.30	48.46	36.23	0.02
Farms by Geography	1,287	0.00	22.46	53.54	24.01	0.00
Family Distribution by Income Level	104,483	15.91	18.15	23.86	42.09	0.00
Distribution of Low and Moderate income Families throughout AA Geographies	35,585	0.00	28.98	54.08	16.94	0.00
Median Family Income		54,771	Median Housing Value		124,412	
HUD Adjusted Median Family Income for 2011		70,400	Unemployment Rate (2000 US Census)		1.77%	
Households Below Poverty Level		7%				

) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2011 HUD updated MFI

Wilmington Non MSA

Demographic Information for Full Scope Area: Wilmington Non MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	18	0.00	5.56	88.89	5.56	0.00
Population by Geography	81,418	0.00	4.95	89.15	5.91	0.00
Owner-Occupied Housing by Geography	22,352	0.00	5.95	87.82	6.23	0.00
Business by Geography	5,000	0.00	3.22	90.26	6.52	0.00
Farms by Geography	643	0.00	1.71	85.38	12.91	0.00
Family Distribution by Income Level	22,552	17.80	18.31	24.42	39.46	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	8,144	0.00	7.31	88.52	4.17	0.00
Median Family Income		43,801	Median Housing Value		88,881	
HUD Adjusted Median Family Income for 2011		52,900	Unemployment Rate (2000 US		2.59%	
Households Below Poverty Level		11%	Census)			

) The NA category consists of geographies that have not been assigned an income classification.

ource: 2000 US Census and 2011 HUD updated MFI

Dayton AA 2011

Demographic Information for Limited Scope Area: Dayton AA 2011

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	45	0.00	13.33	46.67	40.00	0.00
Population by Geography	224,564	0.00	11.43	40.41	48.16	0.00
Owner-Occupied Housing by Geography	60,897	0.00	8.88	37.86	53.26	0.00
Business by Geography	14,389	0.00	7.47	34.02	58.51	0.00
Farms by Geography	625	0.00	6.08	55.68	38.24	0.00
Family Distribution by Income Level	60,792	13.32	15.41	21.34	49.94	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	17,461	0.00	21.30	47.52	31.18	0.00
Median Family Income		51,271	Median Housing Value		128,191	
HUD Adjusted Median Family Income for 2011		62,400	Unemployment Rate (2000 US		2.19%	
-households Below Poverty Level		7%	Census)			

) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2011 HUD updated MFI

Cuyahoga County AA

Demographic Information for Limited Scope Area: Cuyahoga County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	501	21.56	23.35	31.14	22.16	1.80
Population by Geography	1,393,978	14.49	20.47	36.94	28.05	0.05
Owner-Occupied Housing by Geography	360,988	7.54	15.52	42.85	34.09	0.00
Business by Geography	78,351	10.59	17.44	33.54	37.43	1.00
Farms by Geography	1,195	3.85	11.38	41.17	43.35	0.25
Family Distribution by Income Level	356,221	23.77	18.46	21.07	36.71	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	150,421	24.76	28.07	33.47	13.69	0.00
Median Family Income		52,660	Median Housing Value		114,909	
HUD Adjusted Median Family Income for 2011		62,800	Unemployment Rate (2000 US		3.00%	
Households Below Poverty Level		13%	Census)			

) The NA category consists of geographies that have not been assigned an income classification.
 ource: 2000 US Census and 2011 HUD updated MFI