

Washington, DC 20219

## **PUBLIC DISCLOSURE**

As of June 1, 1999

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Ripley National Bank  
Charter No. 2837**

**101 Main Street  
Ripley, Ohio 45167**

**Office of the Comptroller of the Currency**

**One Financial Place  
400 South LaSalle Street, Suite 2700  
Chicago, Illinois 60605**

**NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## GENERAL INFORMATION

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **The Ripley National Bank** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of June 1, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

**INSTITUTION'S CRA RATING:** This institution is rated as “Satisfactorily meeting the credit needs of the community.”

- o The Ripley National Bank (RNB) is making a substantial majority of loans within its assessment area - approximately 90% in number and 80% in dollar volume of our sample.
- o RNB lends to borrowers of different income levels.
- o Management's record of lending to small businesses and farmers meets the standards for satisfactory performance.
- o The average loan-to-deposit ratio meets the standards for satisfactory performance.
- o There have been no CRA-related complaints since the last CRA examination.

## **DESCRIPTION OF INSTITUTION**

The Ripley National Bank (RNB) is a community bank with total assets of approximately \$37 million as of March 31, 1999. The bank is independently owned with headquarters in Ripley, Ohio and a branch in Georgetown, Ohio. Each facility maintains an ATM.

RNB offers traditional banking services and lending products. Management focuses lending efforts on mortgage lending with a majority of loans being 1-4 family residential loans. RNB's loan portfolio consists of the following: 47% 1-4 family residential; 21% non-farm, non-residential; 12% farmland; 7% consumer; 6% commercial & industrial; 5% construction; 1% agriculture; and 1% home-equity. As of March 31, 1999, net loans and leases represented 66% of the bank's total assets.

There are no constraints on the bank's ability to meet local credit needs. Considering the bank's financial condition and size, the local economy, and other demographic information, management has no impediments to servicing the legitimate community credit needs of Brown County. Our last examination of this bank was May 1996 at which time they were rated as **satisfactorily** meeting the credit needs of the community.

## **DESCRIPTION OF BROWN COUNTY**

The Ripley National Bank's assessment area is Brown County, Ohio. Brown County is wholly located within a Metropolitan Statistical Area (Cincinnati MSA 1640). The assessment area does not arbitrarily exclude low- and/or moderate-income census tracts. There are eight census tracts in the assessment area. Seven are designated moderate income and one is middle income. The 1990 Census MSA median family income for Brown County was \$36,658. The statewide median family income for a Metropolitan Statistical Area (MSA) in 1998 was \$51,500.

Brown County is a rural county in Southern Ohio with a population of 40,243 in 1997. Georgetown is the largest city in the county and serves as the county seat of government. The unemployment rate is 4.2% which is comparable to state and national averages. Major area employers include Trinity Industries, a rail car manufacturer; Cincinnati Milacron, a plastic injection molding company; Stanley Tool Works, a tool box manufacturer; the Brown County Hospital, Pepsi Distributing, and PCP Surgical Appliances.

Competition from other financial institutions in the county is strong. The bank's primary competitors include six banks, one savings and loan, two finance companies, and three credit unions. Management has identified housing and education as the major credit needs of the community.

An executive with the county's Economic Development Council was contacted as a community contact. The Economic Development Council's purpose is to preserve the downtown area for tourism as an industry and to bring in other small, non-polluting industries as a source of employment. She stated that the Village of Ripley's primary credit need is housing which is limited due to the flood zones located along the Ohio River.

In understanding the Brown County loan market and how loan demand is affected, consideration must also be given to the demographics of the assessment area. The dispersion of families between the income levels is fairly uniform: 28% low-income, 23% moderate-income, 25% middle-income, and 24% upper-income families. Based on 1990 census data, 15% of the households are below the poverty level, 29% live on social security, and 16% are retired. It is likewise important to note that 22% of the housing is for rental purposes and 21% of the housing is in the form of mobile homes or trailers. In addition, the location of Ripley on the Ohio River creates flood zones throughout the community which in turn reduces the amount of space available for housing. All of these factors have contributed to a decline in the demand for mortgage loans in the lower and/or moderate-income levels across Brown county. Individuals living on fixed incomes find it difficult to save for the down payments and flood insurance required for mortgages and turn toward rental property and mobile homes as an alternative.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

**LENDING IN THE ASSESSMENT AREA**

The Ripley National Bank makes a substantial majority of their loans to borrowers inside Brown County. A sample of 25 mortgages, a primary loan product, and 25 consumer loans indicates that approximately 90% of the total number and 80% of the dollar amount of loans were to borrowers inside the bank's assessment area. This is more than reasonable and is considered to be outstanding.

<b>LOAN DISTRIBUTION AMONG THE ASSESSMENT AREA OF BROWN COUNTY (Based on a sample of 50 loans)</b>				
	<b>No. Of loans</b>	<b>Percent</b>	<b>Amount (000's)</b>	<b>Percent</b>
Inside AA:	45	90%	\$1,196,425	80%
Outside AA	5	5%	\$290,964	20%
Totals loans	50	100%	\$1,487,389	100%

## LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

The distribution of lending within the assessment area reflects excellent penetration among the different income levels, including low- and moderate-income levels. The bank's primary product line is 1-4 family residential mortgages. Please refer to the table below outlining the bank's level of consumer and mortgage lending to borrowers of different incomes.

Income Level	Percentage of Families Within Brown County*	Number of Residential Mortgage Loans Sampled	Percent	Number of Consumer Loans Sampled	Percent
Low	28.35%	10	40%	12	48%
Moderate	22.89%	4	16%	9	36%
Middle	25.06%	4	16%	2	8%
Upper	23.70%	7	28%	2	8%
Total	100%	25	100%	25	100%

\* According to the 1990 Census Data, U.S. Bureau of Census.

All of the bank's commercial loans and agricultural loans are to small businesses, defined by the Equal Credit Opportunity Act as businesses with annual sales of less than \$1 million. In addition to these loans to small businesses, the bank makes a substantial amount of small dollar consumer loans. The bank has no minimum loan amount. In 1998, The Ripley National Bank made 63 loans to individuals for less than \$2000 and 23 of those loans were for less than \$1000.

### GEOGRAPHIC DISTRIBUTION OF LOANS

An analysis of the geographic distribution of loans within Brown County was not performed. Since Brown County consists almost entirely of moderate-income census tracts with only one middle-income census tract located at the farthest, northern end of the county, an analysis of loan distribution by geographies would not provide meaningful information.

### LOAN-TO-DEPOSIT RATIO

The Ripley National Bank's average, quarterly loan-to-deposit ratio since the last CRA examination is 70.52% and is considered to meet the standards for a satisfactory rating. As of March 31, 1999, the loan-to-deposit ratio was 77.29%. Overall, this ratio has increased since the previous CRA examination in 1996. The Ripley National Bank's ratio is higher than its national peer group which is 66.30% and comparable to a local, similarly situated bank whose average loan-to-deposit ratio was 74%.

### RESPONSE TO COMPLAINTS

No CRA related complaints have been received since the last examination.

### **COMPLIANCE WITH ANTIDISCRIMINATION LAWS**

We did not identify any violations of the substantive provisions of the antidiscrimination laws and regulations.