



# INTERMEDIATE SMALL BANK

---

Comptroller of the Currency  
Administrator of National Banks

---

Washington, DC 20219

## PUBLIC DISCLOSURE

December 29, 2009

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Greenville National Bank  
Charter Number 13944

446 South Broadway  
Greenville, Ohio 45331

Office of the Comptroller of the Currency  
Central Ohio Field Office  
West Lake Center, 4555 Lake Forest Drive, Suite 610  
Blue Ash, Ohio 45242-3760

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.

## TABLE OF CONTENTS

<b>INSTITUTION'S CRA RATING .....</b>	<b>1</b>
<b>SCOPE OF EXAMINATION.....</b>	<b>1</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>1</b>
<b>DESCRIPTION OF ASSESSMENT AREAS.....</b>	<b>2</b>
<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA.....</b>	<b>3</b>
<b>COMMUNITY DEVELOPMENT TEST.....</b>	<b>8</b>
<b>FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....</b>	<b>9</b>

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

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

**The major factors supporting this rating are as follows:**

- A majority of the bank's loan originations were made within the bank's assessment areas.
- Greenville National Bank (GNB's) borrower distribution reflects reasonable penetration among borrowers of different incomes.
- GNB's geographic distribution demonstrates reasonable dispersion.
- GNB's community development performance exhibits adequate responsiveness to the community development needs in its assessment areas.
- The bank's loan-to-deposit ratio is more than reasonable and is considered outstanding.

## **Scope of Examination**

This Performance Evaluation covers Greenville National Bank's Community Reinvestment Act performance under the Lending and Community Development Tests.

In evaluating the bank's lending performance, we reviewed lending data for the bank's primary loans products (residential real estate and consumer loans) in each of the bank's two assessment areas (AAs). We reviewed loan originations for the period January 1, 2007 through November 30, 2009 based on Home Mortgage Disclosure Act loan application register data for residential real estate loans and loans samples for consumer loans. The Community Development Test covered community development loans, originated investments purchased and services offered during the period October 31, 2006 through December 31, 2009.

The bank's Non-Metropolitan Statistical Area (Non-MSA) AA received the most weight in assigning the overall rating for the bank. The bank's Non-MSA AA contains seven of the bank's eight branches, 98% of the deposits and 76% of the bank's mortgage loan originations.

## **Description of Institution**

Greenville National Bank (GNB) is a \$328 million institution and is a wholly owned subsidiary of Greenville National Bancorp, a one-bank holding company. GNB and its holding company Greenville National Bancorp are headquartered in Greenville, Ohio. Greenville is the county seat in Darke County and is approximately 40 miles north of Dayton, Ohio. GNB has seven branch offices, in addition to the main office. GNB has six full service branches, and one loan production office located in Darke County and one full service branch in Miami County. In addition to four full service ATMs located in Darke County at various full service branches and

one full service ATM in Miami County, GNB has four stand-alone cash dispensing ATMs in Darke County.

As of September 30, 2009, the bank had total assets of \$328 million, total deposits of \$270 million, and net loans of \$229 million. Per the FDIC's June 30, 2009 deposit market share report, GNB's deposit market share of 28% ranked the bank first among Darke County's 12 financial institutions. Analysis of GNB's deposit market share for Miami County revealed the bank's market share of .08% ranked last among Miami County's 13 financial institutions.

GNB is a full service bank and offers a wide array of banking products. The bank's primary lines of business are residential and consumer lending followed by commercial and agricultural lending. Table 1 below illustrates GNB's loan originations during 2007, 2008 and year-to-date November 30, 2009, and demonstrates the bank's loan mix.

<b>Table 1 - Loan Originations</b>		
<b>Loan Type</b>	<b>% by Dollar Amount of Loans Originated during evaluation period</b>	<b>% by Number of Loans Originated during evaluation period</b>
Residential Loans	31.45%	13.95%
Consumer Loans	21.57%	68.88%
Commercial Loans	23.82%	11.46%
Agricultural Loans	22.31%	5.67%
Other Loans	.85%	.04%

*Source: Loan originations 2007, 2008, and YTD November 30, 2009.*

No legal or financial impediments exist that would restrict the bank's ability to meet the credit needs of its assessment areas. The last Community Reinvestment Act (CRA) examination, dated October 30, 2006, resulted in an overall rating of Outstanding. Since the last CRA examination, GNB relocated one branch office in Bradford, Ohio. GNB moved its Bradford office located in census tract 3201 (a middle-income geography), to a new location in the same census tract.

## Description of GNB's Assessment Areas

GNB has two AAs. The bank's primary AA consists of the Non-MSA AA made up of all geographies in Darke County, Ohio. The bank's second AA consists of five census tracts located in the southwest corner of Miami County, which is part of the Dayton Metropolitan Statistical Area # 19380 (Dayton MSA AA). The Dayton MSA AA is contiguous to the Non-MSA AA. GNB's AAs comply with all regulatory requirements and do not arbitrarily exclude any low- or moderate-income geography.

Competition in the bank's AAs is strong. Within the bank's two AAs are branches of seven national or regional institutions as well as 11 local institutions. One community contact interview conducted as part of this examination indicated that the credit needs of the community are being met and that representatives from local institutions are active in the community. It was noted that participation in some Community Development opportunities (e.g. Tax Incremental Financing, Darke County Revolving Loan Fund) is limited.

***Non MSA AA***

This AA consists of one moderate-income census tract (CT), nine middle-income census tracts, and two upper-income census tracts encompassing all of Darke County. The non-MSA AA does not contain any low-income census tracts. The Department of Housing and Urban Development's (HUD's) updated estimate of the 2009 median family income for Non-MSA areas in Ohio is \$53,800. Per the 2000 Census, the total population in the AA was 53,909, with 20,389 households and 21,583 housing units. Eight percent of households in the AA live below the poverty level.

The primary industries in Darke County are service, manufacturing, and agriculture. Major employers in the AA are Whirlpool, Greenville Technology, and Midmark. Per the Ohio Department of Jobs and Family Services, as of November 2009, the unemployment rate in Darke County was 10.8% versus a statewide average of 10%.

***Dayton Ohio MSA # 19380 AA***

This AA consists of five middle-income geographies located in west central Miami County. According to U.S. Census information, which is based on 2000 income data and updated in 2004 to reflect geography revisions, the Dayton MSA AA median family income is \$51,271. HUD's 2009 updated estimate of the median family income for the Dayton MSA AA is \$62,100. Per the 2000 Census, the total population for the AA is 20,066, with 7,681 households and 8,047 housing units. Five percent of the households in the AA live below the poverty level.

The primary industry in Miami County is manufacturing. Some of the major employers in the Dayton MSA AA are A.O. Smith Corporation, Goodrich Corporation, and Evenflo Company. Per the Ohio Department of Jobs and Family Services of November 2009, the unemployment rate in Miami County was 11.5% versus a statewide average of 10%.

## **Conclusions with Respect to Performance Criteria**

### **Loan-to-Deposit Ratio**

GNB's current loan-to-deposit ratio is more than reasonable and is reflective of outstanding performance. The bank's average quarterly loan-to-deposit ratio exceeds the standard for satisfactory performance. GNB's average loan-to-deposit for the 13 quarters dated from September 2006 to September 2009 was 91.34%, with quarterly loan-to-deposit ratios during the time period ranging from a low of 85% to a high of 95%. A sample of seven similarly situated financial institutions located in Ohio, and ranging in size from \$100 million to \$400 million, had average loan-to-deposit ratios ranging from 63.81% to 88.46% over the same time period. GNB's loan-to-deposit ratio as of September 30, 2009 was 84.65%.

### **Lending in Assessment Area**

A majority of GNB's residential real estate and consumer loans, originated during 2007, 2008 and year-to-date November 30, 2009, were originated within the bank's assessment area (AA). Overall, by number of loans, 83.89% of residential loans were originated within the AA, by

dollar amount, 81.97% of residential loans were originated within the combined AA. Refer to Table 2 for additional detail.

<b>Table 2 – Residential Real Estate Lending in GNB’s Combined AA</b>										
Loan Type	Number of Loans				Dollars of Loans					
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$000's	%	\$000's	%	
Home purchase	275	80.65%	66	19.35%	341	24,547	76.11%	7,453	23.29%	32,000
Refinance	292	86.14%	47	13.86%	339	35,879	85.01%	6,326	14.99%	42,205
Home imp.	58	89.23%	7	10.77%	65	4,785	89.49%	562	10.51%	5,347
<b>Total</b>	<b>625</b>	<b>83.89%</b>	<b>120</b>	<b>16.11%</b>	<b>745</b>	<b>65,211</b>	<b>81.97%</b>	<b>14,341</b>	<b>18.03%</b>	<b>79,552</b>

*Source: All HMDA reportable residential loans originated during 2007, 2008 and through November 30, 2009; 2000 U.S. Census.*

A majority of GNB’s consumer loans in 2007, 2008 and through November 30, 2009 were originated within the bank’s combined AA. We reviewed a sample of 60 consumer loans (20 originated in each of the three years reviewed) and determined that 73.33% of consumer loans by number were originated in the combined AA, and 79.24% by dollar amount were originated in the combined AA. Refer to Table 3 for detail.

<b>Table 3 – Consumer Lending in GNB’s Combined AA</b>										
Loan Type	Number of Loans				Dollars of Loans					
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Consumer Loans	44	73.33%	16	26.67%	60	502,136	79.24%	131,569	20.76%	633,705

*Source: 20 consumer loans each from 2007, 2008 and 2009 for a total 60-loan sample.*

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

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

#### Performance in the Non-MSA AA

The borrower distributions for residential real estate and consumer loans are reasonable when compared with the percentage of low- and moderate-income families and households, respectively, in this AA.

#### *Residential Real Estate Loans*

GNB’s distribution of residential loans reflects reasonable distribution among borrowers of different income levels and is satisfactory. The penetration among moderate-income borrowers

of 17.13% is reasonable for residential real estate loan products. GNB's record of residential real estate lending to low-income borrowers of 7.79% is less than the percentage of low-income families in the AA of 15.39%. Factors contributing to the bank's low penetration to low-income borrowers are that 8% of the households in the AA are below the poverty level and the AA's median home value is \$92,506 and borrowers may not meet the credit standards for home mortgage loans. Refer to Table 4 for additional detail.

<b>Table 4 Borrower Distribution of Residential Real Estate Loans in Non-MSA AA</b>									
Borrower Income Level	N/A	Low		Moderate		Middle		Upper	
Loan Type	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	1.57%	15.39%	9.02%	17.88%	17.65%	25.57%	29.80%	41.16%	41.96%
Home Improvement	1.89%	15.39%	11.32%	17.88%	9.43%	25.57%	33.96%	41.16%	43.40%
Refinance	3.33%	15.39%	5.93%	17.88%	18.15%	25.57%	22.96%	41.16%	49.63%
<b>Total</b>	<b>2.42%</b>	<b>15.39%</b>	<b>7.79%</b>	<b>17.88%</b>	<b>17.13%</b>	<b>25.57%</b>	<b>26.99%</b>	<b>41.16%</b>	<b>45.67%</b>

*Source: All HMDA reportable residential loans originated during 2007, 2008 and through November 30, 2009 in Non-MSA AA; 2000 U.S. Census data*

### *Consumer Loans*

The bank's distribution of consumer loans demonstrates reasonable penetration among borrowers of different income levels and is satisfactory. While the bank's percentage of consumer loans to low-income borrowers at 15.38% is slightly less than the percentage of low-income households of 20.28%, GNB's distribution to moderate-income borrowers significantly exceeds the percentage of moderate-income households in the AA. Refer to Table 4B for detail.

<b>Table 4B – Borrower Distribution of Consumer Loans in Non-MSA AA</b>									
Borrower Income Level	N/A	Low		Moderate		Middle		Upper	
	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	5.13%	20.28%	15.38%	16.18%	33.33%	21.82%	33.33%	41.72%	12.83%

*Source: Sample of 39 consumer loans made in Non-MSA AA originated during 2007, 2008, and YTD November 30, 2009, 2000 U.S. Census data.*

### Performance in the Dayton MSA AA

#### *Residential Real Estate Loans*

The bank's distribution of home loans in the AA meets the standard for satisfactory performance and is considered reasonable. The bank's overall record of home mortgage lending to low- and

moderate-income families is slightly less than the percentage of low- and or moderate-income families in the AA.

The bank's overall penetration among moderate-income borrowers of 19.15% is slightly less than the percentage of moderate-income families in the AA of 21.48%. The bank's penetration to low-income borrowers is less than the percentage of families in the AA. The AA's poverty rate of five percent, as well as a median home value of \$108,968, could contribute to low-income borrowers not meeting the credit standards for home mortgage loans. When both factors are considered, the bank's penetration to low-income borrowers is reasonable. Refer to Table 4C for detail.

<b>Table 4C Borrower Distribution of Residential Real Estate Loans in Dayton MSA AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	16.00%	15.00%	21.48%	25.00%	28.40%	20.00%	34.12%	40.00%
Home Improvement	16.00%	0.00%	21.48%	20.00%	28.40%	80.00%	34.12%	0.00%
Refinance	16.00%	9.09%	21.48%	13.64%	28.40%	27.27%	34.12%	50.00%
<b>Total</b>	<b>16.00%</b>	<b>10.64%</b>	<b>21.48%</b>	<b>19.15%</b>	<b>28.40%</b>	<b>29.79%</b>	<b>34.12%</b>	<b>40.42%</b>

*Source: All HMDA reportable residential loans originated during 2007, 2008 and through November 30, 2009 made in Non-MSA AA; 2000 U.S. Census.*

### *Consumer Loans*

GNB's distribution of consumer loans to low- and moderate-income borrowers significantly exceeds the percentages of low- and moderate income households in the AA and reflects excellent penetration. As exhibited in Table 4D below, the bank's percentage of consumer loans to low-income borrowers is 25.00% compared to low-income households of 15.47% and the percentage to moderate-income borrowers is 45.00% versus moderate-income households of 18.03%.

<b>Table 4D Borrower Distribution of Consumer Loans in Dayton MSA AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	15.47%	25.00%	18.03%	45.00%	22.89%	20.00%	43.61%	10.00%

*Source: Sample of 20 consumer loans made in MSA #19380 for 2007, 2008, and through November 30, 2009; 2000 U.S. Census data.*

## Geographic Distribution of Loans

- GNB's geographic distribution of loans reflects reasonable dispersion to all areas within its Non-MSA AA. Our analysis reflected lending in all tracts, and no conspicuous gaps or areas of low penetration in GNB's lending pattern. The Dayton MSA AA consists of six middle income geographies. As the AA does not contain any low- or moderate-income geographies, a geographic analysis for this AA was not performed as it would not be meaningful.

### Performance in the Non-MSA AA

#### *Residential Real Estate Loans*

The bank's geographic distribution of home loans in the Non-MSA AA reflects a reasonable dispersion throughout census tracts of different income levels. The level of total home loans originated in the moderate-income census tracts (7.61%) exceeds the percentage of owner-occupied housing (6.82%). Refer to Table 5.

<b>Table 5 Geographic Distribution of Residential Real Estate Loans in non-MSA AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0%	0%	6.82%	9.02%	74.17%	72.94%	19.01%	18.04%
Home Improvement	0%	0%	6.82%	5.66%	74.17%	67.92%	19.01%	26.42%
Refinance	0%	0%	6.82%	6.67%	74.17%	72.22%	19.01%	21.11%
<b>Totals</b>	<b>0%</b>	<b>0%</b>	<b>6.82%</b>	<b>7.61%</b>	<b>74.17%</b>	<b>72.15%</b>	<b>19.01%</b>	<b>20.24%</b>

*Source: All HMDA reportable residential loans originated during 2007, 2008 and through November 30, 2009 in the Non-MSA AA; 2000 U.S. Census data:*

#### *Consumer Loans*

The bank's geographic distribution of home loans in the Non-MSA AA reflects reasonable dispersion throughout census tracts of different consumer income levels. The number of consumer loans originated in the moderate-income census tract of 7.69% is just slightly less than the percentage of households in the moderate-income tract of 8.96%. Refer to Table 6 for additional detail.

<b>Table 6 Geographic Distribution of Consumer Loans in Non-MSA AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0.00%	0.00%	8.96%	7.69%	72.66%	69.23%	18.38%	23.08%

Source: Sample of 39 consumer loans made in the Non-MSA AA for 2007, 2008, and YTD 9/30/2009; 2000 U.S. Census data.

## Responses to Complaints

There have been no consumer complaints relating to the bank's Community Reinvestment Act performance during this evaluation period; therefore, this criterion is not applicable.

## Community Development Test

- GNB's community development performance demonstrates adequate responsiveness to community development needs through community development lending, investments, and services. We considered the AA's needs as well as the availability of opportunities for community development in the bank's Non-MSA AA and Dayton MSA AA during our analysis.

The evaluation period for Community Development (CD) loans, investments and services was January 1, 2007 to December 31, 2009.

### *Number and amount of community development loans*

GNB originated three CD loans totaling \$702,890 to Tri-County Community Action Agency (TCAA), which serves both the Dayton MSA and Non-MSA AAs during the evaluation period. TCAA provides funding for many programs that benefit low- and moderate-income persons and families. TCAA programs include: the Benefit Bank which helps to connect low- and moderate-income individuals and families with potential public benefits, the Clothing Bank which accepts donations of clothing and appliances to help low-income families, and Emergency Services which includes a food bank that serves food daily from 8:00 am - 4:30 pm. The bank also originated a \$1.9 million loan to Family Health Services of Darke County. Family Health Services is categorized as a "federally qualified health center" and is located in the bank's only moderate-income geography in the bank's Non MSA AA. Family Health Services offers affordable medical care to local residents.

### *Number and amount of qualified investments*

GNB does not have any qualifying investments in its investment portfolio. However, during the evaluation period, GNB made five charitable donations totaling \$19,370, to entities located in the bank's Non MSA AA, whose primary purpose is to provide services to low-and moderate-income individuals.

*Extent to which the bank provides community development services*

Community development services consisted of four bank employees, which include members of senior management, providing financial services expertise to four community development organizations. Three of these organizations provide services to low- and moderate-income persons and two are economic development organizations. All of these organizations are in the bank's Non-MSA AA.

GNB continues to participate in the Federal Home Loan Bank's (FHLB) Welcome Home Program. This program provides down payment assistance to low- and moderate-income borrowers who wish to purchase a home. Through this program, two borrowers received \$5,000 each from the FHLB, and GNB was able to originate two loans totaling \$122,750.

## **Fair Lending or Other Illegal Credit Practices Review**

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

