



## PUBLIC DISCLOSURE

August 11, 2025

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Merchants National Bank  
Charter Number: 2449

100 North High St.,  
Hillsboro, OH, 45133

Office of the Comptroller of the Currency

Central Ohio – Indiana Office  
Westlake Center  
4555 Lake Forest Dr., Suite 520  
Cincinnati, OH 45242

**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 lending test is rated: Outstanding**

**The community development test is rated: Satisfactory.**

The major factors that support this rating include:

- The Lending Test rating is based on the state rating and the following conclusions:
  - The loan-to-deposit (LTD) ratio is more than reasonable.
  - A substantial majority of the bank's loans are inside the assessment areas (AAs).
  - The bank exhibits excellent geographic distribution of loans in its AAs.
  - The bank exhibits an overall excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the products offered by the bank.
- The Community Development (CD) Test rating is based on the state rating, which is satisfactory. The bank's combination of CD loans, investments, and services demonstrated adequate responsiveness to the CD needs in the state given the bank's capacity, and the needs and availability of CD opportunities in the bank's AAs.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit ratio was more than reasonable.

Merchants National Bank's (hereafter "MNB" or "bank") quarterly average LTD ratio over the 12 quarters since the previous Community Reinvestment Act (CRA) evaluation (January 31, 2022, to December 31, 2024) was 86.7 percent. The ratio ranged from a high of 91.9 percent as of December 31, 2023, to a low of 79.9 percent as of June 30, 2022. The bank's quarterly average LTD ratio was more than reasonable when compared to financial institutions of similar size in the bank's AAs, which included 11 financial institutions with total assets less than \$1.5 billion and headquartered in one of the bank's AAs. The other 11 financial institutions had an average LTD ratio of 85.3 percent, ranging from 60.9 percent to 121.2 percent. MNB's LTD ratio was the fifth highest out of these similarly situated financial institutions during the evaluation period.

### Lending in Assessment Area

A substantial majority of the bank's loans were inside its AAs.

The bank originated and purchased 83 percent of the number of total loans inside its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	690	83.2	139	16.8	829	126,476	75.6	40,741	24.4	167,217
Small Business	48	80.0	12	20.0	60	7,692	70.3	3,244	29.7	10,936
<b>Total</b>	<b>738</b>	<b>83.0</b>	<b>151</b>	<b>17.0</b>	<b>889</b>	<b>134,168</b>	<b>75.3</b>	<b>43,985</b>	<b>24.7</b>	<b>178,153</b>

*Source: 1/1/2022 - 12/31/2024 Bank Data.*  
*Due to rounding, totals may not equal 100.0%*

## Description of Institution

MNB is an intrastate community bank headquartered in Hillsboro, Ohio. MNB is a wholly owned subsidiary of Merchants Bancorp, Inc., a one-bank holding company, also located in Hillsboro, Ohio. As of December 31, 2024, MNB had total assets of \$1.3 billion with \$998.6 million in net loans and leases, \$1.1 billion in total deposits, and \$107.9 million in tier 1 capital.

MNB operates 17 full-service banking offices in Athens, Brown, Clark, Clermont, Clinton, Fayette, Highland, Hocking, Madison, and Union Counties in Ohio. Of the 17 offices, 15 have drive-up facilities and all branches have automated teller machines (ATMs) except for the main office in Hillsboro and the Greenfield Office on Washington Street. All offices are open during regular business hours. MNB has three offices in moderate-income geographies, 12 offices in middle-income geographies (including the main office in Hillsboro), one office in an upper-income geography, and one office that is in a geography that has not been assigned an income classification as of the 2020 American Community Survey (ACS) U.S. Census data. During the evaluation period, there were no acquisitions, and the bank did not open any new branches or close any existing branches.

MNB is a single state financial institution with one rating area, the state of Ohio. MNB has four AAs located in Ohio: the Ohio Non-metropolitan statistical area (MSA), the Columbus, OH MSA, the Cincinnati, OH-KY-IN MSA, and the Springfield, OH MSA. Within the Ohio Non-MSA, MNB operates in Athens, Clinton, Fayette, and Highland Counties, and one census tract (CT) in Ross County. Within the Columbus, OH MSA 18140, the bank operates within Hocking, Madison, and Union Counties (Columbus MSA). Within the Cincinnati, OH-KY-IN MSA 17140, the bank operates in Brown and Clermont Counties (Cincinnati MSA). Within the Springfield, OH MSA 44220, the bank operates in 36 CTs in Clark County (Springfield MSA). Refer to the “Scope of the Evaluation” and “Description of Institution’s Operations in Ohio” sections of this performance evaluation for additional discussion of each AA.

The bank offers a variety of standard lending and deposit products and services through their full-service banking offices to accommodate their customers, including online and mobile banking. Deposit products consist of checking accounts, savings accounts, certificates of deposit, and individual retirement

accounts. Loan products consist of home mortgage, commercial/commercial real estate, farm, and consumer loans.

As of the December 31, 2024, Consolidated Reports of Condition and Income (call report), MNB's total loans were approximately \$1 billion representing 76.7 percent of total assets. The loan portfolio consisted of 39.5 percent residential real estate loans (home mortgage loans), 34.9 percent commercial and industrial loans and commercial real estate loans (business loans), 21.8 percent agriculture loans (farm loans), 2.9 percent consumer loans, and 0.8 percent other loans. The bank's loan originations, based on number of loans originated and purchased, during the evaluation period (2022-2024) consisted of 32.7 percent home mortgage, 28.7 percent consumer loans, 20.9 percent business loans, and 17.6 percent farm loans. The bank's loan originations, based on dollar amount of loans originated, consisted of 39.6 percent business loans, 30.5 percent home mortgage loans, 24.5 percent farm loans, and 5.4 percent consumer loans. MNB originated 4,443 loans, totaling \$724.8 million over the evaluation period. The bank's primary lending products were home mortgage and small business lending.

- Additionally, the bank offered the following two lending programs: The Ohio AG-Link program, which provides rate reductions for qualified agriculture borrowers.
- The Ohio Homebuyers Plus program, which provides assistance to first time homebuyers in the state of Ohio.

There are no financial, legal, or other factors that impeded the bank's ability to help meet the credit needs of its AAs. MNB's previous CRA rating was Outstanding as of the Performance Evaluation (PE) dated June 27, 2022.

## **Scope of the Evaluation**

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

The OCC conducted a CRA performance evaluation to assess the bank's record of meeting the credit and CD needs of its entire community, including low- and moderate-income (LMI) areas. The OCC used intermediate small bank CRA evaluation procedures to assess the bank's performance under the Lending and CD Tests. The evaluation period was January 1, 2022, to December 31, 2024. Examiners performed a full-scope review for the Ohio Non-MSA, Columbus MSA, and Springfield MSA, and a limited-scope review for the Cincinnati MSA. Refer to the "Scope of Evaluation in Ohio" section for details regarding the selection of full-scope AAs.

The OCC evaluated the bank's lending performance based on their primary lending products, home mortgage and small business lending. While the bank offers other lending products, these products were not a primary product during the evaluation period and an analysis would not be meaningful. As a result, the OCC did not consider these as part of the performance evaluation. MNB's primary lending products are discussed under the "Description of Institution" section in this report. For the Lending Test, the OCC evaluated home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) for 2022, 2023, and 2024.

The OCC relied on internal bank reports and completed transaction testing on a random sample of 60 small loans to businesses originated during the evaluation period for each AA. However, for the Springfield MSA, the OCC tested all small loans to businesses originated during the evaluation period, which included 37 loans. For analysis purposes, the OCC compared the bank's lending performance with demographic data from the 2020 ACS U.S. Census data and 2024 Dun and Bradstreet (D&B) data. For the CD Test, the OCC evaluated CD loans, investments, and services during the evaluation period. No affiliate activity was included in this analysis. Refer to the table in appendix A, Scope of the examination, for more information on the scope of the review.

Limited-scope procedures focused primarily on quantitative data, with consideration of qualitative data generally limited to demographic and competitive factors. The OCC completed a limited-scope review of the Cincinnati MSA. Performance in the Cincinnati MSA is considered as either stronger than, weaker than, or consistent with overall performance in full-scope AAs within Ohio. Based on these conclusions, there is either a positive, negative, or neutral impact on the state rating.

## **Ratings**

The bank's overall rating is a blend of the state ratings. Since all MNB's offices are in Ohio, the bank's rating is based on performance solely in Ohio.

The rating is based on performance in all the bank's AAs. Performance in the Ohio Non-MSA was weighted most heavily as 63.9 percent of deposits and 52.9 percent of branch offices were in this AA. Additionally, approximately 65.1 percent of all home mortgage loan originations during the evaluation period were in this AA. Refer to the "Scope" section under the state rating for additional details regarding how the areas were weighted.

The MMSA rating and state ratings in rating areas with a single AA are based on performance in that AA. The MMSA and state ratings in rating areas with multiple AAs are based on the weighted-average conclusions in those AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Ohio

#### CRA rating for the State of Ohio<sup>1</sup>: Satisfactory

**The Lending Test is rated: Outstanding**

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

The major factors that support this rating include:

- MNB exhibits excellent geographic distribution of loans in its AAs.
- The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the products lines offered.
- MNB demonstrates adequate responsiveness to CD needs through a combination of CD loans, qualified investments, and CD services.

### Description of Institution's Operations in Ohio

MNB has 17 full-service locations in ten counties across Ohio. As noted in the Description of Institution section, the counties included in this footprint create four AAs, presented in order of weighting: the Ohio Non-MSA, the Columbus MSA, the Springfield MSA, and the Cincinnati MSA. Bank management delineated the AAs based on its branch locations, deposits, and lending activities. There are no substantial differences in business focus or services offered among the AAs.

Additional information regarding demographic characteristics, job market, economic conditions, housing cost and affordability, competition, and credit needs of full-scope AAs is discussed below. This information provides further context for MNB's operations in each AA.

#### Ohio Non-MSA

Within the Ohio Non-MSA, MNB operates nine offices with three in Hillsboro (Highland County), two in Greenfield (Highland County), two in Wilmington (Clinton County), one in Athens (Athens County), and one in Washington Court House (Fayette County). All offices, except Athens, are in middle-income CTs. The Athens office is in a CT with an unknown income classification. Approximately 64 percent of MNB's total deposits are from the Ohio Non-MSA.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

### Demographic Characteristics

Assessment Area(s) - Ohio Non-MSA						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	44	2.27	18.18	63.64	11.36	4.55
Population by Geography	182,364	2.37	16.03	63.70	12.73	5.18
Housing Units by Geography	79,314	1.26	17.07	66.44	13.08	2.15
Owner-Occupied Housing by Geography	45,451	0.04	13.67	71.52	14.57	0.21
Occupied Rental Units by Geography	24,352	3.49	20.47	59.66	11.01	5.36
Vacant Units by Geography	9,511	1.43	24.63	59.54	11.21	3.19
Businesses by Geography	5,146	2.08	14.55	65.00	15.00	3.36
Farms by Geography	530	0.38	6.04	77.55	15.28	0.75
Family Distribution by Income Level	44,085	22.39	18.19	20.90	38.52	0.00
Household Distribution by Income Level	69,803	28.28	16.21	17.08	38.43	0.00
Unemployment rate (%)	5.39	11.06	7.42	4.85	3.23	9.29
Households Below Poverty Level (%)	19.19	68.48	25.30	16.03	15.22	72.43
Median Family Income (Non-MSAs - OH)		\$66,160		Median Housing Value		\$126,750
Median Family Income (Non-MSAs - OH) for 2024		\$81,600		Median Gross Rent		\$736
				Families Below Poverty Level		12.14
FFIEC File - 2020 Census FFIEC File - 2024 Census 2024 Dun & Bradstreet SBSF Demographics Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification						

### Job Market

Data from the five-year ACS estimate indicates the two most common employment sectors in the Ohio Non-MSA are manufacturing and healthcare and social assistance. Other common sectors by county and some of the major employers in the AA include the following:

Employment Sectors	
Athens County	Educational Services, Accommodation/Food Services, and Retail Trade
Clinton County	Retail Trade, Educational Services, and Transportation/Warehousing
Fayette County	Retail Trade, Construction, and Transportation/Warehousing
Highland County	Retail Trade, Educational Services, and Construction
Ross County	Retail Trade, Accommodation/Food Services, and Educational Services
<i>Source: Data USA 2023 Census Bureau ACS 5-year estimate</i>	

Major and Notable Employers	
Athens County	Alexander Local Schools, Athens City Schools, Athens County Government, Diagnostic Hybrids, Inc, Global Cooling Inc, and Hocking Technical College
Clinton County	Ahresty Wilmington Corp, Alkermes Inc, Amazon Prime Air, ATSG/ABX Air, Clinton Memorial Hospital, and Ferno-Washington, Inc
Fayette County	Adena Fayette Medical Center, Mekesson Corp, Miami Trace Local Schools, Hill's Pet Nutrition, and Sugar Creek Packing Co
Highland County	Adient, Candle-Lite Inc, Greenfield Exempted Village Schools, Greenfield Research, Highland District Schools, and Hillsboro City Schools
Ross County	Adena Regional Health System, Chillicothe City Schools, Glo Fiber, InfoSight Corporation, and Kenworth Truck/PACCAR
<i>Source: Ohio Department of Development</i>	

The unemployment rates for each county in the Ohio Non-MSA mostly trended with the statewide rate and were relatively stable during the three-year evaluation period. As shown in the table below, the average annual unemployment rate for Athens County mostly outpaced the other counties and the overall state of Ohio. Athens county also demonstrated the most volatility relative to the state of Ohio.

<b>Unemployment Rates</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
State of Ohio	4.0	3.7	4.3
Athens County	4.3	4.3	5.2
Clinton County	3.7	3.5	4.1
Fayette County	4.3	4.2	4.5
Highland County	4.4	4.2	4.6
Ross County	4.1	3.8	4.6

*Source: Bureau of Labor Statistics (Not Seasonally Adjusted)*

### *Housing Cost and Affordability*

A home mortgage loan may not be affordable for low-income families in the AA. The demographic data in the table below shows the median housing value for the AA was at least 3.1 times the annual income of a low-income family and at least 1.9 times the annual income of a moderate-income family.

Median Housing Value (MHV)	\$126,750
Median Family Income (MFI)	\$ 81,600
Low Income Level (<50% MFI)	\$ 40,800
Moderate-Income Level (<80% MFI)	\$ 65,280

*Source: 2020 ACS Census; 2024 Updated FFIEC MFI*

In addition, data from Realtor.com shows the median list price for homes rose during the evaluation period and was higher than the median housing value indicated by the Census data. From January 2022 to December 2024, the median list price of homes for the Ohio Non-MSA increased from \$178,675 to \$228,550. These prices were 4.4 to 5.6 times the annual income of low-income families and 2.7 to 3.5 times the annual income of moderate-income families.

Based on a list price of \$178,675 and \$228,510, the estimated payment for a 30-year mortgage with a 5 percent interest rate would be \$959 and \$1,227 per month, respectively. In comparison, low-income families could afford a maximum mortgage payment of \$1,020 and moderate-income families could afford a maximum monthly payment of \$1,632. When considering a down payment, homeowner's insurance, real estate taxes, and other monthly expenses related to home ownership, it would be difficult for low-income families to afford a home.

### *Competition*

Competition for deposits in the Ohio Non-MSA was moderate. The 2024 FDIC Deposit Market Share Report showed MNB and 25 other national, regional, and state banks operated 76 offices in the AA. The top three competitors were National Cooperative Bank, NA with one office and 40.1 percent market

share, MNB with nine offices and 9.4 percent market share, and Fifth Third Bank, NA with four offices and 6.9 percent market share. MNB ranked 2<sup>nd</sup> with deposits of \$701.6 million.

Competition for home mortgage loans was significant. Based on the 2023 aggregate HMDA data, 236 lenders originated 3,105 home mortgage loans. The top three lenders were Fifth Third Bank, NA with 4.5 percent market share, Peoples Bank with 4.6 percent market share, and Rocket Mortgage with 4.6 percent market share. MNB ranked 8<sup>th</sup> with 105 loans for a market share of 3.4 percent.

Competition for small business loans was considerable. According to 2023 aggregate CRA data, 56 lenders originated 2,532 small business loans. The top three lenders were American Express National Bank with 24.3 percent market share, Synchrony Bank with 17.4 percent market share, and JPMorgan Chase with 15.4 percent market share. MNB does not report this data.

### *Community Contact*

For further insight on local credit and CD needs, the OCC considered comments from a community contact. This contact works for a community action agency that has been in operation since 1965 and is a primary source of support for people who are living in poverty. The organization provides a variety of programs and services which include family and senior housing, housing rehabilitation, senior services (e.g., meals, transportation, and supportive services), and a program designed to help those who have bad credit or are unable to make a down payment on a vehicle. The organization also manages several social service enterprise businesses that employ residents and provide services to their own properties and on a for-hire basis.

Based on the most recent needs assessment, the contact noted their most demanded programs were utility assistance, cleaning services, head start, and senior services. The contact further commented the most crucial needs identified were affordable housing, food resources, affordable center-based childcare, better wage jobs, and affordable medical providers. The contact stated the housing market has been tight and there is a lack of new construction. As such, home prices and rents are high and there is a lack of affordable housing for both families and seniors.

The contact noted four banks, including MNB, have supported the organization and mentioned additional opportunities for bank involvement exist. These opportunities include refinancing of low-income housing tax credits (LIHTC) projects, general operating support, and funding for childcare providers. There are also opportunities to serve as a board or committee member.

### Columbus MSA

Within the Columbus MSA, MNB operates four offices with a drive-up and deposit-taking ATM. Two offices are in moderate-income CTs in Logan (Hocking County), one is in a middle-income CT in London (Madison County), and one is in a middle-income CT in Marysville (Union County). Approximately 24 percent of MNB's total deposits are from the Columbus MSA.

### Demographic Characteristics

Assessment Area(s) - Columbus MSA						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	0.00	18.75	59.38	21.88	0.00
Population by Geography	134,658	0.00	16.81	51.60	31.59	0.00
Housing Units by Geography	51,358	0.00	20.15	58.26	21.59	0.00
Owner-Occupied Housing by Geography	36,577	0.00	17.86	57.64	24.50	0.00
Occupied Rental Units by Geography	10,668	0.00	24.49	59.66	15.84	0.00
Vacant Units by Geography	4,113	0.00	29.25	60.08	10.67	0.00
Businesses by Geography	4,305	0.00	17.77	49.41	32.82	0.00
Farms by Geography	454	0.00	16.52	57.27	26.21	0.00
Family Distribution by Income Level	33,529	19.02	17.90	21.86	41.22	0.00
Household Distribution by Income Level	47,245	18.94	16.07	19.72	45.28	0.00
Unemployment rate (%)	3.33	0.00	3.68	3.92	1.84	0.00
Households Below Poverty Level (%)	8.10	0.00	14.50	7.87	3.21	0.00
Median Family Income (18140 - Columbus, OH MSA)		\$84,088		Median Housing Value		\$168,700
Median Family Income (18140 - Columbus, OH MSA) for 2024		\$103,300		Median Gross Rent		\$903
				Families Below Poverty Level		5.67
FFIEC File - 2020 Census FFIEC File - 2024 Census 2024 Dun & Bradstreet SBSF Demographics Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification						

### Job Market

Data from the five-year ACS estimate indicates the two most common employment sectors in Hocking, Madison, and Union counties are healthcare and social assistance, and manufacturing. Other common sectors by county and some of the major employers in the AA include the following:

Employment Sectors	
Hocking County	Construction, Retail Trade, and Accommodation/Food Services
Madison County	Retail Trade, Transportation/Warehousing, and Construction
Union County	Retail Trade, Professional/Scientific/Technical Services, and Finance/Insurance
<i>Source: Data USA 2023 Census Bureau ACS 5-year estimate</i>	

Major and Notable Employers	
Hocking County	Amanda Bent Bolt, Embassy Healthcare, Hocking Valley Community Hospital, Kilbarger Construction, and Kroger Co
Madison County	Amazon, Battelle Memorial Institute, Honeywell Integrated, Jefferson Industries, and Keihin Thermal Technology
Union County	Continental/Contitech, Honda Motor Co Ltd, Marysville Exempted Village Schools, Memorial Hospital of Union County, and Nestle R&D
<i>Source: Ohio Department of Development</i>	

The unemployment rates for each county in the Columbus MSA strongly correlated with the statewide rate and were relatively stable during the three-year evaluation period. As shown in the table below, the average annual unemployment rate for Hocking County was consistently higher than the rate for the other two counties and Ohio.

<b>Unemployment Rates</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
State of Ohio	4.0	3.7	4.3
Hocking County	4.2	3.9	4.6
Madison County	3.3	3.2	3.7
Union County	2.8	2.7	3.3

*Source: Bureau of Labor Statistics (Not Seasonally Adjusted)*

### *Housing Cost and Affordability*

A home mortgage loan may not be affordable for LMI families in the AA. The demographic data in the table below shows the median housing value for the AA was at least 3.3 times the annual income of a low-income family and at least two times the annual income of a moderate-income family.

Median Housing Value (MHV)	\$168,700
Median Family Income (MFI)	\$ 103,300
Low Income Level (<50% MFI)	\$ 51,650
Moderate-Income Level (<80% MFI)	\$ 82,640

*Source: 2020 ACS Census; 2024 Updated FFIEC MFI*

In addition, data from Realtor.com shows the median list price for homes rose during the evaluation period and was higher than the median housing value indicated by the Census data. From January 2022 to December 2024, the median list price of homes for the Columbus MSA increased from \$299,900 to \$349,450. These prices were 5.8 to 6.8 times the annual income of low-income families and 3.6 to 4.2 times the annual income of moderate-income families.

Based on a list price of \$299,900 and \$349,450, the estimated payment for a 30-year mortgage with a 5 percent interest rate would be \$1,610 and \$1,876 per month, respectively. In comparison, low-income families could afford a maximum mortgage payment of \$1,291 and moderate-income families could afford a maximum monthly payment of \$2,066. When considering a down payment, homeowner's insurance, real estate taxes, and other monthly expenses associated with home ownership, it would be difficult for low-income families and some moderate-income families to afford a home.

### *Competition*

Competition for deposits in the Columbus MSA was moderate. The 2024 FDIC Deposit Market Share Report showed MNB and 14 other national, regional, and state banks operated 21 offices in the AA. The top three competitors were Huntington National Bank with two offices and 23.6 percent market share, MNB with three offices and 19.6 percent market share, and PNC Bank, NA with three offices and 12.3 percent market share. MNB ranked 2<sup>nd</sup> with deposits of \$237.6 million for a market share of 19.6 percent.

Competition for home mortgage loans was significant. Based on the 2023 aggregate HMDA data, 272 lenders originated 3,937 home mortgage loans. The top three lenders were Huntington National Bank with 10.3 percent market share, Rocket Mortgage with 3.7 percent market share, and Pennymac Loan Services, LLC with 3.5 percent market share. MNB ranked 27<sup>th</sup> with 48 loans for a market share of 1.2 percent.

Competition for small business loans was considerable. According to 2023 aggregate CRA data, 49 lenders originated 2,384 small business loans. The top three lenders were JPMorgan Chase, NA with 33.5 percent market share, American Express with 18.9 percent market share, and Synchrony Bank with 8.3 percent market share. MNB does not report this data.

*Community Contact*

The OCC reviewed comments from a community action partnership that helps families and individuals achieve an improved quality of life by working to alleviate the hardships of poverty. To this end, the agency develops, manages, and provides services and support to income eligible residents that address issues such as safe and affordable housing, early childhood education, food and nutrition, employment and training needed for self-sufficiency, and CD activities that improve infrastructure.

The agency partners with Ohio University Credit Union for the micro-loan program, but there are additional opportunities for bank involvement. These opportunities include general operating support, grants for home repair, and construction financing and Federal Home Loan Bank sponsorship for LIHTC projects. There are also opportunities to invest in the consumer micro-loan program and to provide no or low balance checking accounts for youth.

Springfield MSA

Within the Springfield MSA, MNB operates one office with a drive-up and deposit-taking ATM. This office is in a middle-income CT in Springfield. Approximately 2 percent of MNB’s total deposits are from the Springfield MSA.

*Demographic Characteristics*

Assessment Area(s) - Springfield MSA						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (Census Tracts)</b>	36	13.89	25.00	38.89	22.22	0.00
<b>Population by Geography</b>	106,674	9.71	23.53	40.64	26.12	0.00
<b>Housing Units by Geography</b>	48,418	10.97	23.72	42.12	23.19	0.00
<b>Owner-Occupied Housing by Geography</b>	27,508	5.93	17.11	42.77	34.19	0.00
<b>Occupied Rental Units by Geography</b>	15,484	16.48	33.49	42.56	7.48	0.00
<b>Vacant Units by Geography</b>	5,426	20.79	29.32	37.60	12.29	0.00
<b>Businesses by Geography</b>	3,077	7.51	23.72	41.14	27.62	0.00
<b>Farms by Geography</b>	195	4.62	17.44	32.82	45.13	0.00
<b>Family Distribution by Income Level</b>	26,896	21.28	18.46	21.14	39.12	0.00
<b>Household Distribution by Income Level</b>	42,992	23.05	18.70	18.61	39.65	0.00
<b>Unemployment rate (%)</b>	7.00	16.88	8.79	6.45	3.11	0.00
<b>Households Below Poverty Level (%)</b>	15.10	36.54	22.31	11.61	5.92	0.00
<b>Median Family Income (44220 - Springfield, OH MSA)</b>		\$63,361		<b>Median Housing Value</b>		\$118,400
<b>Median Family Income (44220 - Springfield, OH MSA) for 2024</b>		\$70,700		<b>Median Gross Rent</b>		\$755
				<b>Families Below Poverty Level</b>		11.44
FFIEC File - 2020 Census FFIEC File - 2024 Census 2024 Dun & Bradstreet SBSF Demographics Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification						

*Job Market*

Data from the five-year ACS estimate indicates the two most common employment sectors in Clark County are healthcare and social assistance, and manufacturing. Other common sectors and some of the major employers in the AA include the following:

<b>Employment Sectors</b>	
Clark County	Retail Trade, Accommodation/ Food Services, and Educational Services
<i>Source: Data USA 2023 Census Bureau ACS 5-year estimate</i>	

<b>Major and Notable Employers</b>	
Clark County	Assurant Inc, Clark County Government, Dole Fresh Vegetables, Gordon Food Service, Konecranes, Inc, Mercy Health-Springfield, Navistar, and Springfield City Schools
<i>Source: Ohio Department of Development</i>	

The unemployment rate the Springfield MSA strongly correlated with the statewide rate during the three-year evaluation period.

<b>Unemployment Rates</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
State of Ohio	4.0	3.7	4.3
Clark County	4.2	3.8	4.7
<i>Source: Bureau of Labor Statistics (Not Seasonally Adjusted)</i>			

*Housing Cost and Affordability*

A home mortgage loan may not be affordable for LMI families in the AA. The demographic data in the table below shows the median housing value for the AA was at least 3.3 times the annual income of a low-income family and at least 2.1 times the annual income of a moderate-income family.

Median Housing Value (MHV)	\$ 118,400
Median Family Income (MFI)	\$ 70,700
Low Income Level (<50% MFI)	\$ 35,350
Moderate-Income Level (<80% MFI)	\$ 56,560
<i>Source: 2020 ACS Census; 2024 Updated FFIEC MFI</i>	

In addition, data from Realtor.com shows the median list price for homes rose during the evaluation period and was higher than the median housing value indicated by the Census data. From January 2022 to December 2024, the median list price of homes for the Springfield MSA increased from \$155,900 to \$209,675. These prices were 4.4 to 5.9 times the annual income of low-income families and 2.8 to 3.7 times the annual income of moderate-income families.

Based on a list price of \$155,900 and \$209,675, the estimated payment for a 30-year mortgage with a 5 percent interest rate would be \$837 and \$1,126 per month, respectively. In comparison, low-income families could afford a maximum mortgage payment of \$884 and moderate-income families could afford a maximum monthly payment of \$1,414. When considering a down payment, homeowner’s

insurance, real estate taxes, and other monthly expenses associated with home ownership, it would be difficult for low-income families to afford a home.

### *Competition*

Competition for deposits in the Springfield MSA was strong. The 2024 FDIC Deposit Market Share Report showed MNB and 11 other national, regional, and state banks operated 29 offices in the AA. The top three competitors were Park National Bank with seven offices and 29.7 percent market share, Huntington National Bank with three offices and 19.7 percent market share, and PNC Bank, NA with four offices and 13.8 percent market share. MNB ranked 11<sup>th</sup> with deposits of \$18.4 million for a market share of 0.9 percent.

Competition for home mortgage loans was significant. Based on the 2023 aggregate HMDA data, 200 lenders originated 2,323 home mortgage loans. The top three lenders were Wright Patt Credit Union with 11.2 percent market share, Huntington National Bank with 6.5 percent market share, and Crosscountry Mortgage, LLC with 5.2 percent market share. MNB ranked 64<sup>th</sup> with six loans for a market share of 0.2 percent.

Competition for small business loans was considerable. According to 2023 aggregate CRA data, 50 lenders originated 1,495 small business loans. The top three lenders were American Express National Bank with 22.7 percent market share, JPMorgan Chase with 14.6 percent market share, and US Bank, NA with 10.6 percent market share. MNB does not report this data.

### *Community Contact*

The OCC contacted a representative for the local housing authority that serves Clark County. This organization manages six buildings with over 800 housing units and administers a self-sufficiency program that focuses on education, job training, job placement assistance, and other supportive services to help families overcome the obstacles they face. The agency also has vacant land and is in the process of creating a development corporation to fundraise for and develop new housing.

According to the contact, quality rental housing in the private market is still severely limited and the agency has a long waiting list for units and Section 8 vouchers. The agency would like to build more multi-family housing and has some properties to rehabilitate. However, the contact stated the agency needs additional funding and the threat of reduction in federal funding is creating instability and inability to plan long-term. In addition to affordable housing, the contact indicated the area's priorities include job training and childcare.

The contact mentioned they have a banking relationship with only one bank in the area, KeyBank, and stated there are additional opportunities for bank involvement. These opportunities include grants to support their programs and outreach, a line of credit, financing for acquisition and rehabilitation of single-family homes rented to their clients, and a loan to improve their administrative building. The agency also needs volunteers to support financial literacy/education or to serve as committee members for real estate planning, finances, and governance.

## **Scope of Evaluation in Ohio**

The OCC performed a full-scope review for the Ohio Non-MSA, Columbus MSA, and Springfield MSA, and a limited scope review for the Cincinnati MSA. Home mortgage and small loans to businesses are the bank's primary lending products and examiners evaluated these products under the Lending Test. The OCC gave small loans to businesses the most weight. Performance in the Ohio Non-MSA was weighted most heavily, as 63.9 percent of deposits and 52.9 percent of branch offices are in this AA, followed by the Columbus and Springfield MSAs. Additionally, approximately 65.1 percent of all home mortgage loan originations during the evaluation period were in the Ohio Non-MSA.

## **Conclusions With Respect to Performance Tests in Ohio**

### **Lending Test**

The bank's performance under the Lending Test in Ohio is rated Outstanding.

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

Based on full-scope reviews, the bank's lending performance in the state of Ohio was excellent. Performance in the Ohio Non-MSA and Columbus MSA was excellent, and performance in the Springfield MSA was reasonable.

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

The bank exhibited excellent geographic distribution of loans in the state.

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

The OCC compared the percentage of home mortgage loans originated or purchased by the bank to the percentage of owner-occupied housing units (OOHUs) in the four geographic income categories, placing emphasis on the LMI geographies. The OCC also compared the bank's performance against the percentage of home mortgage loans of other mortgage lenders in the AA, as demonstrated by HMDA aggregate data.

Refer to Table 7 in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is excellent.

### **Ohio Non-MSA**

The bank exhibited an excellent geographic distribution of home mortgage loans in the Ohio Non-MSA. This conclusion is based on the following:

- MNB did not originate any loans in the low-income CT. The OCC considered there is one low-income CT in the AA with only 18 OOHUs, presenting limited lending opportunities.

The CT is in Athens County, near Ohio University, so very few of these housing units are owner-occupied.

- The bank's percentage of home mortgage loans originated in moderate-income CTs exceeded the percentage of OOHUs and was near to the aggregate percentage for all reporting lenders.

#### Columbus MSA

The bank exhibited an excellent geographic distribution of home mortgage loans in the Columbus MSA. This conclusion is based on the following:

- The AA does not have any low-income CTs.
- The bank's percentage of loans originated in moderate-income CTs exceeded both the percentage of OOHUs and the aggregate percentage for all reporting lenders.

#### Springfield MSA

The bank exhibited an excellent geographic distribution of home mortgage loans in the Springfield MSA. This conclusion is based on the following:

- The percentage of loans originated in the low-income CTs was below the percentage of OOHUs but approximated the aggregate percentage for all reporting lenders.
- The bank's percentage of loans originated in moderate-income CTs exceeded both the percentage of OOHUs and the aggregate percentage for all reporting lenders. The moderate-income geographies contained nearly three times greater opportunities for owner-occupied lending than the low-income geographies and, therefore, carried more weight in the assessment of performance.

#### ***Small Loans to Businesses***

The OCC compared the percentage of the number of small loans to businesses originated by the bank in the four geographic income categories to the distribution of businesses throughout those geographies, placing emphasis on the LMI geographies. The OCC also compared the bank's performance against the percentage of small loans to businesses of other lenders, as demonstrated by CRA aggregate data.

Refer to Table 9 in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is excellent.

#### Ohio Non-MSA

The bank exhibited an excellent geographic distribution of small loans to businesses in the Non-MSA. This conclusion is based on the following:

- MNB did not originate any small loans to businesses in the low-income CT. The OCC considered there is one low-income CT with only 107 businesses.
- The bank's percentage of small loans to businesses originated in moderate-income CTs exceeded both the percentage of businesses and the aggregate percentage for all reporting lenders.

Columbus MSA

The bank exhibited an excellent geographic distribution of small loans to businesses in the Columbus MSA. This conclusion is based on the following:

- The AA does not have any low-income CTs.
- The bank's percentage of small loans to businesses originated in moderate-income CTs exceeded both the percentage of businesses and the aggregate percentage for all reporting lenders.

Springfield MSA

The bank exhibited a very poor geographic distribution of small loans to businesses in the Springfield MSA. This conclusion is based on the following:

- MNB did not originate any small loans to businesses in the low-income CTs. The OCC considered the AA has five low-income CTs with approximately 230 businesses.
- The bank's percentage of small loans to businesses originated in moderate-income CTs is well below both the percentage of businesses and the aggregate percentage of reporting lenders.

***Lending Gap Analysis***

Overall, the OCC did not identify any unexplained, conspicuous gaps in the lending distribution. The OCC reviewed internal bank reports and maps to identify potential significant gaps in the distribution of loans over the evaluation period.

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

The bank exhibited an overall excellent distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

***Home Mortgage Loans***

The OCC compared the percentage of home mortgage loans originated or purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level, placing emphasis on lending to LMI borrowers. The OCC also compared the bank's performance against home mortgage loans of other lenders, as demonstrated by HMDA aggregate data.

Refer to Table 8 in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans is reasonable.

Ohio Non-MSA

The bank exhibited a reasonable borrower distribution of home mortgage loans in the Ohio Non-MSA. This conclusion is based on the following:

- The bank's percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families but was near to the aggregate percentage of all reporting

lenders who were similarly well below demographics. The OCC considered 12.1 percent of families are below the poverty level and housing affordability may be difficult for low-income borrowers. The median list price for a home was at least 4.4 times the annual salary of low-income families not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses.

- The bank's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and was near to the aggregate percentage of all reporting lenders.

### Columbus MSA

The bank exhibited an excellent borrower distribution of home mortgage loans in the Columbus MSA. This conclusion is based on the following:

- The bank's percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families but exceeded the aggregate percentage of all reporting lenders. The OCC considered 5.7 percent of families are below the poverty level and the median list price for a home was at least 5.8 times the annual income of low-income families.
- The bank's percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate percentage for all reporting lenders.

### Springfield MSA

The bank exhibited a reasonable borrower distribution of home mortgage loans in the Springfield MSA. This conclusion is based on the following:

- The bank's percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families and below the aggregate percentage for all reporting lenders. The OCC considered 11.4 percent of families are below the poverty level and the median list price of a home was at least 4.4 times the annual income of low-income families. The OCC also considered that aggregate lenders in the AA was well below the demographic comparator.
- The bank's percentage of home mortgage loans to moderate-income borrowers was below both the percentage of moderate-income families and the aggregate percentage of all reporting lenders.

### ***Small Loans to Businesses***

The OCC compared the percentage distribution of the number of small loans to businesses originated or purchased by the bank by gross annual revenue level to businesses with gross annual revenues of \$1 million or less. The OCC also compared the bank's performance to aggregate small business data, as demonstrated by CRA aggregate data.

Refer to Table 10 in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The borrower distribution of small loans to businesses is excellent.

#### Ohio Non-MSA

The bank exhibited an excellent borrower distribution of small loans to businesses of different sizes in the Ohio Non-MSA. This conclusion is based on the following:

- The bank's percentage of small loans to businesses with gross annual revenues of \$1 million or less was below the percentage of such businesses but exceeded the aggregate percentage for all reporting lenders.
- The bank's percentage of small loans to businesses with gross annual revenue of \$1 million or less was 75 percent of the loans for which revenue was available.

#### Columbus MSA

The bank exhibited an excellent distribution of small loans to businesses of different sizes in the Columbus MSA. This conclusion is based on the following:

- The bank's percentage of small loans to businesses with gross annual revenues of \$1 million or less was below the percentage of such businesses but exceeded the aggregate percentage for all reporting lenders.
- The OCC considered revenue was not available for 10 of 60 or 16.7 percent of the loans in the sample. The bank's percentage of small loans to businesses with gross annual revenue of \$1 million or less was 78 percent of the loans for which revenue was available.

#### Springfield MSA

The bank exhibited an excellent distribution of small loans to businesses of different sizes in the Springfield MSA. This conclusion is based on the following:

- The bank's percentage of small business loans to businesses with gross annual revenues of \$1 million or less was below the percentage of such businesses but exceeded the aggregate percentage for all reporting lenders.
- The OCC considered revenue was not available for 7 of 37 or 18.9 percent of the loans in the sample. The bank's percentage of small loans to businesses with gross annual revenues of \$1 million or less was 73 percent of the loans for which revenue was available.

### **Conclusions for Areas Receiving Limited Scope Reviews:**

Refer to the tables in appendix D for the facts and data that support limited-scope conclusions.

Based on a limited-scope review, the bank's performance under the Lending Test in the Cincinnati MSA was weaker than the bank's overall performance under the Lending Test in the full-scope areas due to weaker geographic distribution performance. This had a neutral impact on the overall rating.

### **Responses to Complaints**

MNB did not receive any complaints about its performance in helping to meet the AA's credit needs during the evaluation period.

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Ohio is rated Satisfactory.

### Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank exhibited adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA. MNB exhibited adequate responsiveness to CD needs in the Ohio non-MSA, Columbus MSA, and Springfield MSA.

### Number and Amount of Community Development Loans

The Community Development Loans table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Ohio Non-MSA	8	72.7	2,417	31.0
Columbus MSA	2	18.2	4,819	61.8
Cincinnati MSA	0	0.0	0	0.0
Springfield MSA	1	9.1	561	7.2
Total	11	100.0	7,797	100.0

#### Ohio Non-MSA

MNB made eight CD loans totaling \$2.4 million or 3.5 percent of allocated tier one capital as of December 31, 2024. The loans provided for affordable housing and community services for LMI residents as follows:

- A \$350,000 draw down loan to a nonprofit housing development corporation that provides financing, acquisition, and management of housing for individuals with developmental disabilities.
- A \$267,000 loan to a public housing authority to consolidate debt and improve cash flow for building and maintaining affordable housing for low-income families, the elderly, and those with disabilities.
- Two loans totaling \$185,000 to a community action agency that offers a range of services, such as emergency assistance, early childhood programs, housing rehabilitation, weatherization, food pantries, senior services, transportation, and health services.

- A \$147,200 loan for a property in Clinton County that provides affordable housing.
- A \$910,000 loan for a property in Athens County that provides affordable housing.
- A \$290,000 loan to refinance the facility of an organizations that provides job training for primarily LMI individuals.
- A \$267,400 loan to refinance several properties that all provide affordable housing in Fayette County.

Columbus MSA

MNB made two loans totaling \$4.8 million or 18.6 percent of allocated tier one capital as of December 31, 2024. The loans provided financing for affordable housing and essential healthcare services as follows:

- A \$4 million loan that provides interim funding for the renovation of a 48-unit affordable housing complex with HUD-subsidized rent for all units. This complex consists of eight two-story residential buildings with 38 two-bedroom and ten three-bedroom apartments, a leasing office, and onsite surface parking.
- An \$818,741 loan to finance the replacement of the roof on a critical access hospital located in a rural area. The hospital is in a moderate-income CT that is adjacent to two moderate-income and one middle-income CTs. The hospital offers emergency and urgent care, inpatient and outpatient surgery, rehabilitation, imaging, and lab work.

Springfield MSA

MNB made one loan totaling \$561,000, or 30.6 percent of allocated tier one capital as of December 31, 2024. The loan purpose was the purchase of a property that provides affordable housing in Clark County.

**Number and Amount of Qualified Investments**

<b>Table 4: Qualified Investments</b>										
<b>Assessment Area</b>	<b>Prior Period*</b>		<b>Current Period</b>		<b>Total</b>				<b>Unfunded Commitments**</b>	
	<b>#</b>	<b>\$(000's)</b>	<b>#</b>	<b>\$(000's)</b>	<b>#</b>	<b>% of Total #</b>	<b>\$(000's)</b>	<b>% of Total \$</b>	<b>#</b>	<b>\$(000's)</b>
Ohio Non-MSA	0	0	63	67	63	55.3	67	58.3	0	0
Cincinnati MSA	0	0	7	1	7	6.1	1	0.9	0	0
Columbus MSA	0	0	40	45	40	35.1	45	39.1	0	0
Springfield MSA	0	0	4	2	4	3.5	2	1.7	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>114</b>	<b>115</b>	<b>114</b>	<b>100.0</b>	<b>115</b>	<b>100.0</b>	<b>0</b>	<b>0</b>

Ohio Non-MSA

MNB made 63 qualified donations totaling \$67,000 to 36 different organizations that target community services to LMI individuals and families. These donations supported food pantries, a homeless shelter,

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

healthcare, financial literacy, and youth programs. In total, the amount donated represented 0.1 percent of allocated tier one capital as of December 31, 2024.

#### Columbus MSA

MNB made 40 qualified donations totaling \$45,186 to 14 different organizations that target community services to LMI individuals and families. These donations supported affordable housing, healthcare, human services, and youth programs. In total, the amount donated represented 0.2 percent of allocated tier one capital as of December 31, 2024.

#### Springfield MSA

MNB made four donations totaling \$1,750 to an organization that supports various local health and human services agencies. In total, the amount donated represented 0.1 percent of allocated tier one capital as of December 31, 2024.

### **Extent to Which the Bank Provides Community Development Services**

#### Ohio Non-MSA

Within the AA, 18 employees spent 1,005 hours providing CD services to 20 different organizations and several schools in Highland and Clinton County. Most of the employees served in a leadership role as a board member, officer, or instructor. Six employees provided financial expertise to three organizations that support affordable housing for LMI residents and two organizations that promote economic development. Six employees taught financial literacy to LMI students through the Real Money Real World program or MNB's school savings program.

#### Columbus MSA

Within the AA, five employees spent 210 hours providing CD services to seven different organizations. These employees often served in a leadership role as board member or officer. Four of the organizations provide community services for LMI residents, including food pantries, at-risk youth programs, and student financial aid. The other organizations support economic development by supporting and expanding local businesses, growing the visitor economy, and creating job opportunities.

#### Springfield MSA

Within the AA, three employees spent 185 hours providing CD services to nine different organizations. These employees served as teachers and mentors, or as senior leaders or committee members for those various organizations. One of those organizations provides health services at no cost to the patient. Another organization supports food security for low-income individuals. The remaining organizations support economic development or provide teaching and mentoring services to enhance financial literacy across the AA.

### **Conclusions for Areas Receiving a Limited-Scope Review**

Based on a limited-scope review, the bank's performance under the Community Development test in the Cincinnati MSA was weaker than the bank's overall performance under the Community Development

Test in the full-scope areas due to a lower amount of CD loans, investments, and services. This had a neutral impact on the overall rating based on the limited deposits and lending opportunities in this AA.

## 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 MSA(s) and non-MSA(s) 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>	01/01/22 to 12/31/24	
<b>Bank Products Reviewed:</b>	Home mortgage and small business loans CD loans, qualified investments, and CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of Ohio</b>		
Ohio Non-MSA AA	Full-Scope	Highland, Fayette, Clinton, and Athens Counties and census tract (CT) 9557 in Ross County.
Columbus MSA AA	Full-Scope	Madison, Union, and Hocking Counties
Cincinnati MSA AA	Limited-Scope	Brown and Clermont Counties
Springfield MSA AA	Full-Scope	Tracts 2, 3, 4, 5, 6, 7, 9.01, 9.02, 10, 11.01, 11.02, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23.01, 24.03, 24.04, 25.01, 25.02, 26.02, 26.05, 26.07, 26.08, 30.02, 32, 33.01, 33.02, 34, and 37 in Clark County.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Merchants National Bank	Outstanding	Satisfactory	Satisfactory
MMSA or State:			
Ohio	Outstanding	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan.

This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**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 CD loans and qualified investments, branch distribution, and CD services).

**Low-Income:** Individual income that is at less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income

determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Multistate Metropolitan Statistical Area (MMSA):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Prior Period Investments:** Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multistate metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans 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.

**Unfunded Commitments:** Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of 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: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table 7. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table 8. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table 9. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table 10. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate
Cincinnati MSA	74	11,822	10.72	16,829	1.19	0.00	1.21	23.73	39.19	25.58	47.63	54.05	48.92	27.45	6.76	24.28	0.00	0.00	0.01
Columbus MSA	138	30,013	20.00	9,333	0.00	0.00	0.00	17.86	33.33	11.76	57.64	62.32	52.12	24.50	4.35	36.12	0.00	0.00	0.00
OH Non-MSA	449	78,557	65.07	7,334	0.04	0.00	0.18	13.67	14.03	15.72	71.52	75.28	71.83	14.57	10.69	12.03	0.21	0.00	0.25
Springfield MSA	29	6,084	4.20	5,310	5.93	3.45	3.48	17.11	27.59	20.77	42.77	31.03	45.61	34.19	37.93	30.13	0.00	0.00	0.00
<b>Total</b>	<b>690</b>	<b>126,476</b>	<b>100.00</b>	<b>38,806</b>	<b>1.79</b>	<b>0.86</b>	<b>1.21</b>	<b>18.09</b>	<b>28.54</b>	<b>18.46</b>	<b>54.89</b>	<b>55.67</b>	<b>54.62</b>	<b>25.18</b>	<b>14.93</b>	<b>25.64</b>	<b>0.05</b>	<b>0.00</b>	<b>0.07</b>

*Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, -- HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
Cincinnati MSA	74	11,822	10.72	16,829	21.31	14.86	11.80	17.55	24.32	23.00	22.91	25.68	23.04	38.24	24.32	26.63	0.00	10.81	15.53
Columbus MSA	138	30,013	20.00	9,333	19.02	15.22	7.98	17.90	19.57	17.76	21.86	19.57	22.60	41.22	36.96	37.50	0.00	8.70	14.15
OH Non-MSA	449	78,557	65.07	7,334	22.39	7.57	8.75	18.19	21.38	22.27	20.90	22.94	25.69	38.52	41.87	27.68	0.00	6.24	15.61
Springfield MSA	29	6,084	4.20	5,310	21.28	6.90	9.27	18.46	10.34	22.54	21.14	24.14	22.98	39.12	37.93	28.27	0.00	20.69	16.95
<b>Total</b>	<b>690</b>	<b>126,476</b>	<b>100.00</b>	<b>38,806</b>	<b>21.14</b>	<b>9.86</b>	<b>9.96</b>	<b>17.92</b>	<b>20.87</b>	<b>21.54</b>	<b>21.91</b>	<b>22.61</b>	<b>23.43</b>	<b>39.03</b>	<b>38.84</b>	<b>29.67</b>	<b>0.00</b>	<b>7.83</b>	<b>15.41</b>

*Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, -- HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
Cincinnati MSA	60	13,010	27.65	8,190	0.79	0.00	1.05	20.61	48.33	21.83	49.15	36.67	47.88	29.45	15.00	29.24	0.00	0.00	0.00
Columbus MSA	60	10,656	27.65	4,857	0.00	0.00	0.00	17.77	30.00	10.75	49.41	63.33	44.18	32.82	6.67	45.07	0.00	0.00	0.00
OH Non-MSA	60	9,812	27.65	5,355	2.08	0.00	1.14	14.55	16.67	15.54	65.00	75.00	62.99	15.00	8.33	19.25	3.36	0.00	1.08
Springfield MSA	37	8,609	17.05	3,095	7.51	0.00	4.23	23.72	8.11	17.54	41.14	27.03	38.64	27.62	64.86	39.58	--	--	--
<b>Total</b>	<b>217</b>	<b>42,087</b>	<b>100.0</b>	<b>21,497</b>	<b>2.60</b>	<b>0.00</b>	<b>1.61</b>	<b>19.16</b>	<b>25.78</b>	<b>16.42</b>	<b>51.18</b>	<b>50.51</b>	<b>48.42</b>	<b>26.22</b>	<b>23.72</b>	<b>33.29</b>	<b>0.84</b>	<b>0.00</b>	<b>0.27</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023, -- CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM			Businesses with Revenues Not Available	
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Cincinnati MSA	60	13,010	27.65	8,190	82.13	51.67	57.06	8.69	31.67	9.18	16.67	
Columbus MSA	60	10,656	27.65	4,857	79.81	65.00	55.45	9.29	18.33	10.89	16.67	
OH Non-MSA	60	9,812	27.65	5,355	75.32	63.33	59.50	9.35	21.67	15.33	15.00	
Springfield MSA	37	8,609	17.05	3,095	77.71	59.46	56.83	10.04	21.62	12.25	18.92	
<b>Total</b>	<b>217</b>	<b>42,087</b>	<b>100.00</b>	<b>21,497</b>	<b>79.74</b>	<b>59.87</b>	<b>57.21</b>	<b>9.34</b>	<b>23.32</b>	<b>11.91</b>	<b>16.82</b>	

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023, -- CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.