



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**Union County National Bank Of Liberty
Charter Number: 2007**

**107 West Union Street
Liberty, IN 47353**

Office of the Comptroller of the Currency

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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The following table indicates the performance level of **Union County National Bank of Liberty** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Union County National Bank of Liberty Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	
Low Satisfactory	X		X
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The distribution of loans to borrowers of different incomes reflects a good level of home purchase and home mortgage refinance lending to low- and moderate-income individuals in the Indiana assessment area. Lending to businesses of different sizes indicates an adequate level of lending to businesses with revenue of \$1 million or less in both assessment areas. Lending to farms of different sizes indicates a good level of lending to farms with revenue of \$1 million or less in the Indiana AA.
- The geographic distribution of loans shows an adequate level of home mortgage and small business lending in low- and moderate-income geographies in both assessment areas. The geographic distribution of loans shows an adequate level of small farm lending in the Indiana AA.
- UCNB’s delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment areas.
- UCNB provides an adequate level of community development services in both assessment areas.
- UCNB provided a good level of qualified investments in the Indiana assessment area and an adequate level of qualified investments in the Ohio assessment area during the evaluation period. UCNB’s opportunity for qualified investments is limited.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

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

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

Community Development (CD) - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Full-Scope Review - Performance under the lending, investment, and service tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area delineated by the U.S. Census Bureau in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA) - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Limited-Scope Review - Performance under the lending, investment, and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

Low-Income - Income levels that are less than 50 percent of the median family income.

Median Family Income (MFI) - The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Statistical Area (MSA) - Area defined by the director of the U.S. Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80 percent and less than 120 percent of the MFI.

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

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

Small Loans to Farms - Loans with original amounts of \$500,000 or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

The Union County National Bank of Liberty (UCNB) is an interstate financial institution headquartered in Liberty, Indiana. UCNB has two assessment areas (AAs), one of which is located in Indiana and the other in Ohio. UCNB services the non-MSA area of Fayette, Union, and Wayne Counties (Indiana non-MSA AA) in Indiana and a portion of Butler County, which is located in the Hamilton-Middletown MSA in Ohio (Ohio AA). UCNB operates six offices and eight ATMs in its AAs.

UCNB is wholly owned by First Merchants Corporation (FMC), a multi-bank holding company headquartered in Muncie, Indiana. In addition to UCNB, FMC owns six other community banks and an insurance company. As of March 31, 2001, FMC had total assets of \$1.6 billion. FMC affiliates offer a broad range of financial services, including accepting time and transaction deposits; making consumer, commercial, agri-business, and real estate mortgage loans; issuing credit cards; and providing trust services.

UCNB had \$214 million in total assets, \$151 million in net loans, and \$16 million in Tier 1 capital as of March 31, 2001. The bank's loan portfolio is 70 percent real estate-secured. Fifty six percent of the loan portfolio is 1-4 family residential mortgage loans, 5 percent of the portfolio is commercial loans secured by real estate, 4 percent is loans secured by farmland, 3 percent is multi-family loans, and 2 percent is construction loans. The remainder of UCNB's loan portfolio includes 14 percent commercial loans, 11 percent individual loans, and 5 percent loans to finance agricultural production.

There are no financial, legal, or other factors that impede the bank's ability to meet its communities' credit needs.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We reviewed home mortgage loans, small loans to businesses, and small loans to farms from the period of January 1, 1999 to December 31, 2000. This time period corresponds to the period that UCNB has been considered a large bank under the CRA. A bank is considered a large bank if it is an affiliate of a holding company that, as of December 31 of the prior two calendar years, had total assets of over \$1 billion. UCNB's holding company, FMC, surpassed \$1 billion in total assets on both December 31, 1997 and December 31, 1998. FMC affiliates were considered to be large banks beginning January 1, 1999. Community development loans were reviewed from February 14, 1997 to June 11, 2001. UCNB's last CRA evaluation dated February 14, 1997 rated the bank "Satisfactory."

Our review of investments included a review of UCNB's investment portfolio and an analysis of the donations and grants made between February 14, 1997 and June 11, 2001. We considered investments and donations or grants that have community development as their primary purpose. Our evaluation of bank services included analyzing the bank's branch and ATM network for the availability and effectiveness of delivering retail banking services. We analyzed the effect of changes in branch locations since our previous CRA examination. We also considered the extent and innovativeness of the bank's community development services in meeting the credit needs of its AAs.

Data Integrity

We verified a sample of HMDA, small loans to businesses, and small loans to farms to determine the accuracy of data presented by the bank. We reviewed the sample of HMDA-reportable transactions to ensure the purpose, action taken, location, race, gender, applicant income, and loan size were accurately reported on UCNB's Loan Application Register (LAR). We reviewed the sample of small loans to businesses and small loans to farms to ensure the loan type, original amount, location, and gross revenue were accurately reported. We noted significant errors in key fields of HMDA, small business, and small farm data during our review. UCNB management performed a file search for all HMDA reported loans in 1999 for purpose, income, and census tract fields. UCNB also performed a file search for all small business and small farm loans reported in 1999 for revenue, census tract and type fields and for 2000 reviewed revenue and census tract fields. Bank personnel corrected all errors noted during this file search. Our second review of HMDA loans, small loans to businesses, and small loans to farms noted only minor clerical errors. This performance evaluation is based on accurate data following UCNB's file search.

We also reviewed bank investments, donations, and services made from February 14, 1997 through June 11, 2001. The bank submitted several loans, investments, donations, and services for our review that did not meet the definition of community development. We determined which investments and services met the definition of community development and included those under the Investment or Service Test, respectively. None of the loans submitted by the bank met the community development definition.

Selection of Areas for Full-Scope Review

Since UCNB is an interstate institution, we are required to perform a full-scope review in at least one AA in each state. Since UCNB has only one AA in each state, Ohio and Indiana, we performed full-scope procedures in each AA.

Ratings

The bank's overall rating is a blend of the state ratings. When consolidating AA conclusions into overall ratings, significantly more weight was given to the Indiana non-MSA AA than the Ohio AA based on the significance of the Indiana non-MSA AA to UCNB. Over 96 percent of UCNB's deposits and 86 percent of its loans are from the Indiana non-MSA AA.

Fair Lending Review

We performed an analysis of recent public comments, consumer complaint information, and HMDA, small business and small farm lending data according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The most recent comprehensive fair lending exam was performed in February 1997.

State Rating

State of Indiana

CRA Rating for Indiana:

The lending test is rated:	<u>Low Satisfactory</u>
The investment test is rated:	<u>High Satisfactory</u>
The service test is rated:	<u>Low Satisfactory</u>

The major factors that support this rating include:

- The bank's geographic distribution of loans shows an adequate level of home mortgage, small business and small farm lending in low- and moderate-income geographies.
- UCNB's distribution of loans to borrowers of different income levels reflects a good level of home purchase and home mortgage refinance lending to low- and moderate-income individuals. The bank's distribution of small loans to farms by income level of the borrower is good.
- UCNB's delivery systems are reasonably accessible to geographies and individuals of different income levels in its AA.
- UCNB provides an adequate level of community development services in the AA.
- UCNB provides a good level of qualified investments in the assessment area. UCNB's opportunity for qualified investments is limited in the AA.

Description of Institution's Operations in Indiana

UCNB operates five offices and six ATMs in the Indiana non-MSA AA. Each branch has one ATM. In addition, the bank owns an ATM located at Indiana University East in Richmond, Indiana. UCNB's primary business focus in this AA is residential mortgage lending. Of the bank's total loans originated and purchased within this AA during the evaluation period, 86.58 percent were extended within the Indiana non-MSA AA.

UCNB's deposits in the Indiana non-MSA AA total approximately \$170 million, which represents 96.86 percent of the bank's total deposits. Based on FDIC deposit market share data as of June 30, 2000, this equates to a 12.46 percent deposit market share. UCNB ranks as the third largest deposit taking institution in the Indiana non-MSA AA. The leading deposit taking institution has a 23.46 percent market share. Major competitors in this area include Firststar Bank, National Association; First Bank, National Association, Richmond; and Bank One, Indiana, National Association. Based on market share reports, there is also a high level of loan competition from non-bank lenders.

Refer to the market profiles for the state of Indiana in appendix C for detailed demographics and other performance context information for this AA.

Scope of Evaluation in Indiana

We performed a full-scope review of the Indiana non-MSA AA during our review. Please refer to the table in appendix A for more information on the scope of our review.

When determining conclusions for the lending test, home mortgage loans were weighted more heavily than small loans to businesses or small loans to farms. One-to-four family residential mortgage loans represent the largest portion of UCNB's loan portfolio and represent the largest portion of the bank's lending activity during the evaluation period. Of the home mortgage products, home mortgage refinance loans were weighted more heavily than home purchase loans, as home mortgage refinance loans made up the majority of home mortgage lending in this AA over the evaluation period. Home improvement loans were given the least weight in our analysis, as these loans represented the smallest portion of the total home mortgage loans reported during the evaluation period (20 percent) in this AA.

Other

We included the findings from a recent community contact interview with a realtor in the Indiana non-MSA AA in our analysis. This contact indicated that they felt the major credit needs of the community were being met by the local financial institutions. The contact also stated that there is a wide variety of credit programs available from local financial institutions.

LENDING TEST

The bank's performance under the lending test in Indiana is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Indiana non-MSA AA is adequate.

Lending Activity

UCNB's lending activity is good in the Indiana non-MSA AA. Refer to Table 1 in the state of Indiana section of appendix D for the facts and data used to evaluate the bank's lending activity.

UCNB extended 729 loans totaling \$38 million in the Indiana non-MSA AA. Of these, 43 percent were home mortgage loans, 36 percent were small loans to farms, and 22 percent were small loans to businesses. Among home mortgage loan originations and purchases, 45 percent were for home mortgage refinance, 35 percent were for home purchase, and 20 percent were for home improvement. UCNB is ranked seventh of 96 lenders with a 3 percent market share for HMDA lending, sixth of 38 lenders with a 7 percent market share for small business lending, and first of 12 lenders for small farm lending with a 34 percent market share in the AA. Of the home mortgage products, UCNB ranks ninth of 123 lenders with a 4 percent market share for home purchase loans, 12th of 44 lenders with a 2 percent market share for home improvement loans, and sixth of 176 lenders with a 4 percent market share for home mortgage refinance loans. UCNB ranks the third largest out of 15 deposit taking institutions in the AA with a 12.46 percent deposit market share.

Distribution of Loans by Income Level of the Geography

UCNB's distribution of loans by income level of the geography showed that the bank's performance is adequate in the Indiana non-MSA AA. Home mortgage, small business, and small farm lending performance are considered adequate in the Indiana non-MSA AA.

Home Mortgage Loans

The overall geographic distribution of home mortgage loans is adequate in the Indiana non-MSA AA. Refer to Tables 2, 3 and 4 in the state of Indiana 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.

Home Purchase Loans

The geographic distribution of home purchase loans is adequate in the Indiana non-MSA AA. Refer to Table 2 in state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home purchase loan originations and purchases.

The geographic distribution of home purchase loans reflects an adequate level of lending in low- and moderate-income BNAs in the AA. The bank did not originate any loans in the low-income BNA and made 12 percent of the loans in moderate-income BNAs. The bank's lending in the low-income BNA is reasonable, considering that less than 1 percent, or only 209, of the owner-occupied housing units are located in the low-income BNA. It is also important to note that the bank did not receive any applications for home purchase loans from this BNA.

The bank's lending performance is below the percentage of owner-occupied housing units in the moderate-income BNAs (17 percent). However, UCNB only received 16 home purchase applications from the moderate-income BNAs in this AA, indicating lower demand for home purchase loans and limiting the bank's opportunity for lending in these areas. The reader should also keep in mind that the median housing value for moderate-income BNAs is \$30,224. This figure is well below the median housing value for the AA (\$42,144) and the average sales price of homes over the past year of \$80,000 to \$90,000 in this area, based on information received from our community contact. The value of these homes is reflective of their general state of disrepair and helps to explain lower demand for home purchase loans from these geographies. These factors help mitigate the bank's lower performance in moderate-income BNAs. The bank ranks ninth of 123 lenders with a market share of 3.7 percent of the number of home purchase loans made in the AA. The bank's market share in moderate-income BNAs (1.19 percent) is less than UCNB's overall market share and the market share obtained in middle- (4.58 percent) and upper-income (3.13 percent) BNAs. Only five lenders extended loans in the low-income BNA. There were a total of six loans extended by these lenders in the low-income BNA in 1999. Loan demand is low in this BNA due to the low number of owner-occupied housing units.

Home Improvement Loans

The geographic distribution of home improvement loans is adequate in the Indiana non-MSA AA. Refer to Table 3 in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home improvement loans.

The geographic distribution of home improvement loans reflects an adequate level of lending in the low- and moderate-income BNAs in the AA. UCNB did not originate any home improvement loans in the low-income BNA and chooses not to report its optional home equity lines of credit for home improvement purposes. The bank's lending in the low-income BNA is reasonable, considering that less than 1 percent, or 209, of the owner-occupied housing units are located in that BNA. This significantly limits opportunities for home improvement lending. The bank did not receive any applications for home improvement loans from this BNA. The bank made 3 percent of its home improvement loans in moderate-income BNAs. UCNB's lending performance is less than the percentage of owner-occupied housing units in the moderate-income BNAs (17 percent). However, UCNB received only four home improvement applications from moderate-income BNAs, indicating lower demand for this product in these geographies.

UCNB ranks 12th among 44 lenders with a market share of 1.72 percent of the number of home improvement loans extended in the AA. The bank did not extend any loans in the low-income BNA. There was only one loan extended by all lenders in this BNA. Loan demand is low in this BNA due to the low number of owner-occupied housing units. UCNB did not have any market share for 1999 in moderate-income BNAs; both loans were extended in 2000. Market share information for 2000 was not yet available during the writing of this evaluation; however, based on 1999 data, UCNB's two loans would have ranked the bank fifth of 20 lenders with a 2.78 percent market share in moderate-income BNAs.

Home Mortgage Refinance Loans

The geographic distribution of home mortgage refinance loans is adequate in the Indiana non-MSA AA. Refer to Table 4 in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage refinance loans.

The geographic distribution of home mortgage refinance loans reflects an adequate level of lending in low- and moderate-income BNAs in the AA. The bank did not originate any home mortgage refinance loans in the low-income BNA and extended 8 percent of its home mortgage refinance loans in the moderate-income BNAs in the AA. The bank's lending in the low-income BNA is reasonable, considering that less than 1 percent, or 209, of the owner-occupied housing units is located in the low-income BNA. It is also important to note that the bank did not receive any applications for home mortgage refinance loans from this BNA. The bank's distribution of loans in moderate-income BNAs falls below the percentage of owner-occupied housing units in those BNAs (17 percent). However, the bank received only 11 home mortgage refinance loan applications from moderate-income BNAs and the bank extended loans to each of these applicants. This indicates a lower demand for this loan product and limits the bank's ability to provide home mortgage refinance loans to these BNAs.

UCNB ranks sixth of 176 lenders with an overall market share of 3.65 percent of the number of home mortgage refinance loans extended in the AA. The bank's market share in moderate-income BNAs (1.06 percent) is less than the bank's overall market share and that obtained in the middle- (4.57 percent) and upper-income (3.48 percent) BNAs.

Small Loans to Businesses

UCNB's geographic distribution of small loans to businesses reflects an adequate distribution of lending in low- and moderate-income BNAs. Refer to Table 5 in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

UCNB's lending performance of small loans to businesses in the low-income BNA is excellent, as the bank extended 6 percent of its small loans to businesses in that BNA despite only 2 percent of small businesses in the assessment area being located in that BNA. However, the percentage of small loans to businesses made in moderate-income BNAs (9 percent) is significantly below the level of small businesses in those BNAs within the assessment area (28 percent). All of the low- and moderate-income BNAs in the Indiana non-MSA AA are located in Richmond, Indiana, in Wayne County. The bank did not have a commercial loan officer located at their Richmond branch between June 1999 and year-end 2000. Management was seeking out a qualified replacement during this time frame. Any commercial loan applications received at this branch were referred to another branch location, but there was no lender actively seeking out these loans at this location.

UCNB ranks sixth of 38 lenders in the Indiana non-MSA AA with an overall market share of 7.12 percent for small business lending. The bank's market share in low-income geographies (5.71 percent) is less than the bank's overall small business market share and the market share obtained in middle-income geographies (11.14 percent), but is greater than the market share obtained in upper-income geographies (2.27 percent). UCNB's market share obtained in moderate-income BNAs (0.77 percent) is less than the bank's overall market share as well as the market share obtained in middle- and upper-income geographies.

Small Loans to Farms

UCNB's geographic distribution of small loans to farms reflects an adequate distribution of lending in low- and moderate-income BNAs. Refer to Table 6 in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The bank did not extend any small loans to farms in the low-income BNA; however, only one farm (0.17 percent) is located in this BNA. The percentage of small loans to farms extended in moderate-income BNAs (0.38 percent) is below the percentage of small farms located in those BNAs (3 percent). However, there are only seventeen farms in the moderate-income BNAs.

UCNB ranks first among 12 lenders in the AA with an overall market share of 33.62 percent, dominating the market for small farm lending. The bank did not extend any small loans to farms in low- or moderate-income BNAs in 1999 and therefore, did not have any market share for

lending in these BNAs. In fact, there were no loans extended by any lender in the low-income BNA. Aggregate 2000 data is not yet available; however, the bank's one loan extended in 1999 to moderate-income BNAs would have ranked the bank second out of three lenders with a 25 percent market share in those geographies.

Lending Gap Analysis

We reviewed maps and reports detailing UCNB's home mortgage loans, small loans to businesses, and small loans to farms in the AA over the evaluation period. We reviewed these reports to identify any gaps in the geographic distribution of these loans. We did not identify any conspicuous gaps in lending activity during our review.

Inside/Outside Ratio

Lending inside the assessment area had a positive impact on the overall geographic distribution conclusions. This analysis was performed at the bank level. The substantial majority of home mortgage loans, small loans to businesses, and small loans to farms originated or purchased by UCNB were within the bank's Indiana and Ohio AAs. Overall, 86 percent of the home mortgage loans, small loans to businesses and farms, and CD loans originated or purchased by UCNB during the evaluation period were extended within its AAs. Eighty-four (84) percent of the bank's home mortgage loans, 86 percent of the small loans to businesses, and 88 percent of the small loans to farms were extended within the bank's AAs.

Distribution of Loans by Income Level of the Borrower

UCNB's distribution of loans by income level of the borrower showed that the bank's performance is good in the Indiana non-MSA AA. Home mortgage lending is considered good, small business lending is considered adequate, and small farm lending is considered good in the Indiana non-MSA AA.

Home Mortgage Loans

The overall distribution of home mortgage loans by income level of the borrower is good in the Indiana non-MSA AA. Refer to Tables 7, 8, and 9 in the state of Indiana 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.

Home Purchase Loans

The distribution of home purchase loans by income level of the borrower is good in the Indiana non-MSA AA. Refer to Table 7 in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home purchase loans.

The bank extended 7 percent of the number of home purchase loans to low-income borrowers and 19 percent to moderate-income borrowers. The percentage of loans to low-income borrowers falls below the AA demographics for low-income families (20 percent). While the bank's lending performance to low-income borrowers appears low, the reader must keep in mind

that there are factors that make it difficult for low-income individuals to qualify for a home purchase loan. Based on our discussions with a local realtor, the average selling price for a single family home in the area is \$80,000 to \$90,000. A low-income family has a maximum income of \$22,999, which would make it difficult for most low-income families to qualify for a home purchase loan at these average sales prices. In addition, almost 14 percent of households in the AA are living below the poverty level. UCNB also experienced lower demand for home purchase loans from low-income borrowers, as only 12 home purchase applications were from low-income borrowers. These factors help mitigate the bank's low lending performance to low-income borrowers. The bank's percentage of loans to moderate-income borrowers is near the AA demographics for moderate-income families (21 percent).

UCNB ranks ninth of 123 lenders with a market share of 3.7 percent of the number of home purchase loans extended in the AA. The bank's market share of loans to low-income borrowers (2.58 percent) mirrors the market share to middle-income borrowers (2.58 percent) and is lower than the bank's overall market share and the market share to upper-income (8.62 percent) borrowers. The bank's market share of loans to moderate-income borrowers (3.28 percent) is lower than the bank's overall market share as well as the market share achieved to middle- and upper-income borrowers.

Home Improvement Loans

The distribution of home improvement loans by income level of the borrower is adequate in the Indiana non-MSA AA. Refer to Table 8 in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home improvement loans.

UCNB extended 15 percent of its home improvement loans to low-income borrowers and 11 percent to moderate-income borrowers. These percentages fall below the AA demographics for low- and moderate-income families. Based on the 2000 updated HUD median family income information, low- and moderate-income families represent 20 percent and 21 percent of all families in the assessment area, respectively. Again, the high poverty level in the AA would be a mitigating factor to lower performance in lending to low-income borrowers. Also, the bank experienced lower demand from low- and moderate-income applicants than from middle- and upper-income applicants. Of the home improvement applications received in this AA, only 12 were from low-income applicants and 11 were from moderate-income applicants while applications from middle- and upper-income applicants totaled 22 and 36, respectively.

UCNB ranks 12th of 44 lenders with an overall market share of 1.72 percent of the number of home improvement loans extended in the AA. There is a high level of competition from large banks and non-bank lenders, which dominate the market for home improvement loans. The bank's market share of home improvement loans to low-income borrowers (2.27 percent) exceeds the bank's overall market share and the market share of loans to middle-income borrowers (1.69 percent) but falls short of the market share to upper-income borrowers (3.13 percent). The bank did not obtain a market share to moderate-income borrowers in 1999. Market share data is not yet available for 2000; however, the seven loans made to moderate-income borrowers would have ranked the bank third of 25 lenders in 1999 with an 8.86 percent market share. This market share would significantly exceed the bank's market share overall and to middle- and upper-income borrowers.

Home Mortgage Refinance Loans

The distribution of home mortgage refinance loans by income level of the borrower is good in the Indiana non-MSA AA. Refer to Table 9 in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage refinance loans.

An analysis of the home mortgage refinance originations in 1999 and 2000 shows the bank extended 6 percent of the loans to low-income borrowers and 23 percent to moderate-income borrowers. The bank's lending performance to low-income borrowers is significantly less than the percentage of low-income borrowers in the AA (20 percent). As mentioned earlier with regard to home purchase loans, there are factors that make it difficult for low-income borrowers to qualify for a home refinance loan that somewhat mitigate this low level of lending. See comments in the home purchase section above for further details. The bank's lending performance to moderate-income borrowers exceeds the percentage of moderate-income borrowers in the AA (21 percent).

UCNB ranks sixth of 176 lenders with an overall market share of 3.65 percent of the number of home mortgage refinance loans extended in the AA. The bank's market share of home mortgage refinance loans to low- (2.95 percent) and moderate-income (2.62 percent) borrowers is less than the bank's overall market share and that achieved in loans extended to middle- (3.03 percent) and upper-income (8.33 percent) borrowers.

Small Loans to Businesses

The bank's distribution of small loans to businesses by income level of the borrower is adequate in the Indiana non-MSA AA. Refer to Table 10 in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

UCNB extended 61 percent of its small loans to businesses to businesses with revenues of \$1 million or less. UCNB's lending to businesses with revenues of less than \$1 million is below the level of these businesses in the AA. Businesses with revenues of \$1 million or less make up 88 percent of all businesses in this AA.

UCNB ranks sixth of 38 lenders in this AA with a market share of 8.70 percent in lending small loans to businesses with revenues of less than \$1 million. The bank's market share of small loans to businesses with revenues of less than \$1 million exceeds its overall small business market share of 7.12 percent.

Small Loans to Farms

The distribution of small loans to farms by income level of the borrower is good in the Indiana non-MSA AA. Refer to Table 11 in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

UCNB made 91 percent of its small loans to farms to farms with revenues of \$1 million or less. UCNB's lending to farms with revenue less than \$1 million substantially meets the level of these farms in the AA. Farms with revenue of \$1 million or less comprise 99 percent of all farms in the AA.

UCNB ranks first of 12 lenders in this AA with an overall market share of 33.82 percent in lending small loans to farms to farms with revenues of less than \$1 million. The bank's market share for these loans slightly exceeds its overall small farm market share of 33.62 percent.

Community Development Lending

Refer to Table 1 in the state of Indiana section of appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a neutral impact on the lending test conclusions in the Indiana non-MSA AA. UCNB extended various loans with community development characteristics, such as mortgage loans providing affordable housing to low- and moderate-income individuals and loans to small businesses which promoted economic development, that have already been considered in the home mortgage or small business categories of the lending test.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the Lending Test conclusions for the Indiana non-MSA AA. UCNB offers several flexible-lending products to serve its community's credit needs; however, few loans have been extended under these programs. None of the products are considered innovative. A brief description of each program and the volume (number and dollars) of activity in the AA for each program during the evaluation period follows.

Cool Loans - 0 loans

This is a 30-year fixed-rate mortgage product geared toward first-time homebuyers. The product provides for financing up to 100 percent of a home's value and has less stringent debt-to-income underwriting requirements. Borrowers are required to purchase private mortgage insurance if the amount of the loan compared to the value of the property (loan-to-value) is greater than 80 percent.

Credit Solutions Loans - 1 loan, \$59,500

This product offers two different 30-year adjustable rate loan products, one that begins to adjust semi-annually after six months and the other that adjusts semi-annually after two years. This loan product is geared towards individuals who have had past credit problems or do not have credit established. This product offers less stringent debt-to-income and minimum down payment requirements. The minimum down payment required depends on the severity of the borrower's credit problems and is based on credit scoring. Down payment requirements range from 10 percent to 30 percent depending on the borrower's credit history. Private mortgage

insurance is not required. Borrowers may use gifts for down payment and closing costs but must be able to fund their own prepaid expenses for items such as escrow and interest from the date of closing to the first day of the next month.

Flex 195 Loans - 1 loan, \$49,900

This is a 30-year fixed-rate mortgage product that offers a lower down payment than is typically required. The minimum down payment allowed under this program is 3 percent; the maximum allowed is 10 percent. Borrowers are required to purchase private mortgage insurance if the loan-to-value is greater than 80 percent. This program offers less stringent debt-to-income requirements; allows funds for down payment, closing costs, and prepaid expenses to come from gifts or loans; allows for lender contributions towards closing costs and prepaid expenses; and allows seller contributions (maximum of 3 percent) toward closing costs and prepaid expenses.

Guaranteed Rural Housing Program - 6 loans, \$401,600

This program offers up to 100 percent financing for buying, building, improving, repairing, or rehabilitating homes in rural areas in Fayette, Henry, Randolph, Union, and Wayne Counties in Indiana. The program is geared toward low- and moderate-income individuals and has specific income restrictions based on the number of people in the household. The program provides 30-year fixed-rate loans and has less stringent debt-to-income ratios than is typically required.

Community Lending Program #650 - 0 loans

This program requires a lower down payment than conventional loans. For home purchase loans, the minimum down payment is 5 percent; for refinance loans, the minimum is 10 percent. Private Mortgage insurance is required for homes with a loan-to-value over 80 percent. This program allows less stringent debt-to-income requirements. The borrower must provide 3 percent of the down payment and closing costs; 2 percent may come from gifts or grants. Private mortgage insurance is not required. This program also has income restrictions. To qualify, a borrower cannot earn more than 100 percent of HUD's median family income for the area.

Community Lending Program - 100% #681 - 0 loans

This program was just recently implemented in May 2001. Features of this 30-year fixed-rate product include 100 percent financing (private mortgage insurance is required on properties with a loan-to-value exceeding 80 percent) and less stringent debt-to-income underwriting requirements. Borrowers must have sufficient savings to cover two months of principal, interest, taxes, and insurance payments and must contribute the lesser of \$500 or 1 percent of the loan towards closing costs and prepaid expenses. The remaining funds may come from gifts or loans. Lenders and sellers may each contribute up to 3 percent in closing costs and prepaid expenses. Borrowers must have incomes of 100 percent or less of the HUD's median family income for the area to qualify for this product.

INVESTMENT TEST

The bank's performance under the investment test in Indiana is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Indiana non-MSA AA is good. UCNB invested over \$1.5 million in the Indiana non-MSA AA during the evaluation period. Through discussion with the OCC's District Community Affairs Officer and bank management, we determined the opportunity for UCNB to invest in this AA is limited. Refer to Table 12 in the state of Indiana section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

UCNB invested \$1.5 million in the Fayette County Economic Development Corporation Revenue Bonds (Dunn Mental Health Center). The purpose of the revenue bond was to finance improvements to the center. The center is located in a middle-income BNA in Connersville, Indiana. The center primarily serves low- and moderate-income individuals. The center's major source of funding is from Medicaid and there is a sliding fee scale that benefits these low- and moderate-income individuals.

UCNB also made 10 smaller donations totaling \$2,891 to local community organizations that serve low- and moderate-income individuals and geographies. The organizations that received these funds provide a variety of community services targeted to low- and moderate-income individuals in Fayette, Union, and Wayne Counties.

SERVICE TEST

The bank's performance under the service test in Indiana is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Indiana non-MSA AA is adequate.

Retail Banking Services

Refer to Table 13 in the state of Indiana section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

UCNB's delivery systems are reasonably accessible to geographies and individuals of different income levels in this AA. In addition to the main office, UCNB operates four full-service branch facilities and six ATMs in this AA. Although there are no branches in low- and moderate-income BNAs, all four branches provide reasonable access to residents of the low- and moderate-income BNAs. The Richmond branch is located approximately ten blocks away from low- and moderate-income BNAs. The ATM in Richmond is located approximately five blocks from the low-income BNA and is also adjacent to a moderate-income BNA. Based on the makeup of the low-income BNAs, as outlined in the market profile in appendix B, and the proximity of branches to low- and moderate-income BNAs, the distribution of the bank's locations is reasonable when compared to the distribution of the population in the AA. Comparatively, less than one percent (.98 percent) of the population in the AA lives in low- and 22 percent in moderate-income BNAs.

The opening and closing of branches have not adversely affected the accessibility of its delivery systems in low- and moderate-income BNAs. UCNB did not close any branches in this AA during the evaluation period. The bank opened a new branch in Connersville, which is a middle-income BNA.

All offices provide full banking services. The bank offers numerous loan and deposit products, including ATM and debit cards. Loan products include various mortgage and business loans, and consumer loans.

Branch hours offer reasonable access and do not vary in a way that inconveniences low- and moderate-income individuals. Each location, with the exception of one (supermarket location), has drive up facilities. Generally, lobby hours are 8:30 a.m. to 5:00 p.m., Monday through Thursday and 8:30 a.m. to 6:00 p.m. on Friday. Saturday hours are generally 8:30 a.m. to 12:00 p.m. Hours of one branch (supermarket location) are 8:30 a.m. to 8:00 p.m. Monday through Friday. Saturday hours are 9:00 a.m. to 6:00 p.m.

UCNB operates six ATMs in this AA. Each branch has an ATM on its premises. UCNB has one freestanding ATM. There are no ATMs in low- and moderate-income BNAs. Two ATMs provide reasonable access to residents of the one low-income BNA and six moderate-income BNAs, in that they are located approximately five to ten blocks away in adjacent BNAs.

UCNB offers some alternative delivery systems used to expand the availability of retail bank services to all areas of the AA. In addition to their ATM network, the bank offers 24-hour telebanking to its customers and on-line banking, a computer based banking service that can be

accessed via computer terminals in individual homes and businesses. These services allow customers to check balances, pay bills, transfer funds, and make loan payments from all income BNAs. UCNB did not have any information to show how low- and moderate-income individuals or BNAs benefited from the telephone and/or on-line banking alternative delivery system. Therefore, we could not place significant weight on this alternative system when drawing our CRA performance conclusions.

Community Development Services

UCNB provides an adequate level of community development services in the Indiana non-MSA AA. The bank is an approved participating bank for Individual Development Accounts (IDA). UCNB has three employees that serve as board members, one for each of the three organizations listed below. Employees offer financial expertise as officers, board members, and loan committee members. Examples include Business Modernization and Technology, Connersville Urban Enterprise Zone, and the Fayette County Industrial Development Revolving Loan Committee.

Government Check Cashing Program: The bank will cash government checks for non-account holders for a minimal fee of \$1.00.

IDA Accounts: The bank adheres to the state guidelines for participating banks. The IDA program is designed to assist qualifying individuals to accumulate savings and personal finance skills. The funds are deposited with a financial institution and the accounts are administered by a community development corporation (CDC). IDA accounts must be utilized to pay for costs at an accredited institution of higher education, pay for the costs associated with an accredited or a licensed training program that may lead to employment for the individual or a dependent of the individual, purchase a primary residence for the individual or a dependent of the individual, or start or purchase all or part of a business. A qualifying individual must be a member of a household with an annual household income that is less than 150 percent of the federal income poverty level.

Business Modernization and Technology Company (BMT): The Business Modernization and Technology Company provides technical and financial information to small start up businesses. A vice president of the bank is a board member and provides technical and financial information to small start up businesses that provide jobs to low- and moderate-income individuals.

Connersville Urban Enterprise Zone: The Connersville Urban Enterprise Zone Association created jobs and revitalized blighted conditions within the area. Businesses located within the zone are eligible to receive certain tax incentives. The tax incentives must be reinvested in property, equipment and employees. A bank employee was a member of the board during the evaluation period and provided financial expertise by analyzing financial statements on all applications submitted.

Fayette County Industrial Development Revolving Loan: The Board of Directors of the Fayette County Revolving Loan Fund analyzes and administers funds for small business start-up/expansion in Fayette County that add primarily low- and moderate income jobs to the area.

The senior commercial lender is a board member of the Fayette County Revolving Loan Fund that oversees the approval of loan funds.

State Rating

State of Ohio

CRA Rating for Ohio:

The lending test is rated:	<u>Low Satisfactory</u>
The investment test is rated:	<u>Low Satisfactory</u>
The service test is rated:	<u>Low Satisfactory</u>

The major factors that support this rating include:

- The bank's geographic distribution of loans shows an adequate level of home purchase and home improvement lending in the one low-income CT in the AA. The bank's market share and rank for home purchase lending is good, especially when compared to the bank's deposit market share and rank in the AA.
- UCNB's distribution of home mortgage loans to borrowers of different income levels is good. The bank's level of home mortgage refinance and home improvement lending to borrowers of different income levels is good and the level of home purchase lending is adequate.
- UCNB's delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area.
- UCNB did not make any qualifying investments during the evaluation period. There is little or no opportunity for qualifying investments in the AA.

Description of Institution's Operations in Ohio

The bank has one office and two ATMs in the Ohio AA. One of the bank's ATMs is located at the Oxford, Ohio branch and the other is located at a 24-hour gas station and grocery store in College Corner, Ohio. Of the bank's total loans originated and purchased within its AAs during the evaluation period, 13.42 percent were extended within the Ohio AA. UCNB's primary business focus in this market is residential mortgage lending.

UCNB's deposits in the Ohio AA total approximately \$5.5 million and represent 3.14 percent of the bank's total deposits. Based on FDIC Deposit Market Share data as of June 30, 2000, this equates to a .22 percent deposit market share. UCNB ranks 13th amongst the other 16 deposit taking institutions in the Ohio AA. The leading deposit taking institution has a 30.6 percent market share. Major competitors in this area include First National Bank of Southwestern Ohio; Fifth Third Bank; Firststar Bank, National Association; Bank One National Association; and Keybank National Association. Based on market share reports, there is also a high level of loan competition from non-bank lenders.

Refer to the market profiles for the state of Ohio in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

Scope of Evaluation in Ohio

We performed a full-scope review of the Ohio AA during our review. Please refer to the table in appendix A for more information on the scope of our review.

When determining conclusions for the lending test in each AA, home mortgage loans were weighted more heavily than small loans to businesses or small loans to farms, as 1-4 family residential mortgage loans represent the largest portion of UCNB's loan portfolio and represented the largest portion of the bank's lending activity during the evaluation period. Home purchase loans were weighted more heavily than home mortgage refinance loans, as home purchase loans made up the majority of home mortgage lending in this AA during the evaluation period. Home improvement loans were given the least weight in our analysis, as these loans represented only a small portion of the total home mortgage loans reported during the evaluation period (8 percent) in this AA.

Other

We performed one community contact interview during our examination. This contact indicated that they felt the major credit needs of the community were being met by the local financial institutions. The contact stated that there is a wide variety of credit programs available from local financial institutions.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Ohio is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Ohio AA is adequate.

Lending Activity

UCNB's lending activity is good in the Ohio AA. Refer to Table 1 in the state of Ohio section of appendix D for the facts and data used to evaluate the bank's lending activity.

UCNB extended 113 loans totaling \$15 million in the Ohio AA. Of these, 80 percent were home mortgage loans, 19 percent were small loans to businesses, and 1 percent were community development loans. There were no small farm originations or purchases during the evaluation period. Among home mortgage loan originations and purchases, 67 percent were for home purchase, 25 percent were for home mortgage refinance, and 8 percent were for home improvement. UCNB ranks third of 141 lenders with a market share of 6 percent for HMDA loans and 15th of 60 lenders with a 1 percent market share for small business loans. Of the home mortgage products, UCNB ranks first of 85 lenders with a nine percent market share for home purchase loans and fifth of 102 lenders with a five percent market share for home mortgage refinance loans. UCNB did not obtain a market share for home improvement loans for this AA.

Distribution of Loans by Income Level of the Geography

UCNB's distribution of loans by income level of the geography showed that the bank's performance is adequate in the Ohio AA. Home mortgage lending was weighted the most heavily in our analysis, as these loans represent a greater percentage of the bank's loan portfolio than small business or small farm loans and constituted the largest type of lending during the evaluation period. Home mortgage and small business lending performance is considered adequate in the Ohio AA. Small farm lending was not evaluated in the Ohio AA, as UCNB did not extend any small farm loans in this AA during the evaluation period.

Home Mortgage Loans

The overall geographic distribution of home mortgage loans is adequate in the Ohio AA. Refer to Tables 2, 3 and 4 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/purchases.

Home Purchase Loans

The geographic distribution of home purchase loans is adequate in the Ohio AA. Refer to Table 2 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 purchase loan originations and purchases.

The bank did not originate any loans in the low-income CT; however, there are only seven owner-occupied housing units in this CT representing less than 1 percent (.22 percent) of the total owner-occupied housing units in the AA. It is also important to note that the bank did not receive any applications for home purchase loans from the low-income CT in this AA. As stated in the state of Ohio market profile section of appendix C, Miami University of Ohio is located in the low-income CT and 95 percent of the population residing in this tract is students residing in college dormitories. Over half of the households in this tract are living below the poverty level. In general, students do not have a strong demand for home mortgage products and would not qualify for a mortgage loan due to their limited income. There are no moderate-income CTs in the AA.

UCNB ranks first of 85 lenders with a market share of 8.56 percent of the number of home purchase loans extended within the AA. This rank and market share reflects dominant lending performance, particularly when compared to the bank's deposit market share and rank in this market (.22 percent, 13th of 16 financial institutions). While the bank did not extend any loans in the low-income CT, only three financial institutions extended any loans in this CT in 1999 and only three loans were extended. Loan demand is low in this CT due to the low number of owner-occupied housing units and the high percentage of students residing there.

Home Improvement Loans

The geographic distribution of home improvement loans is adequate in the Ohio AA. Refer to Table 3 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 improvement loans.

The bank did not originate any home improvement loans in the low-income CT; however, only seven (.22 percent) of the owner-occupied housing units in the AA are located in this CT and the majority of the population are college students. The bank does not report its optional home equity lines of credit for home improvement purposes. This significantly reduces opportunities for home improvement lending in this CT. The bank did not receive any applications for home improvement loans from the low-income CT in this AA.

UCNB did not show any market share for 1999; all of its home improvement loans were originated during 2000. Market share information for 2000 was not yet available during the writing of this evaluation; however, based on 1999 data, UCNB's seven home improvement loans would have ranked the bank second of 13 lenders with a 16.67 percent market share.

Home Mortgage Refinance Loans

The geographic distribution of home mortgage refinance loans is adequate in the Ohio AA. Refer to Table 4 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 refinance loans.

The bank did not originate any loans in the low-income CT; however, there are only seven owner-occupied housing units (.22 percent) located in this CT and 95 percent of the population in that CT are students residing in college dormitories. This significantly limits the opportunities for home mortgage refinance loans in this CT. The bank did not receive any home mortgage refinance applications from the low-income CT in this AA.

UCNB ranks fifth of 102 lenders with an overall market share of 4.57 percent of the number of home mortgage refinance loans extended in the AA. As the bank did not extend any loans in the low-income CT, it achieved no market share. There were only two loans extended by two lenders in this CT. Loan demand is low in this CT due to the low number of owner-occupied housing units and the high student population.

Small Loans to Businesses

The geographic distribution of small loans to businesses is adequate in the Ohio AA. Refer to Table 5 in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

UCNB's geographic distribution of small loans to businesses in the low-income CT is adequate. UCNB extended 22 small business loans within this AA. While the bank did not extend any small loans to businesses in the low-income CT, UCNB's performance is reasonable. The percentage of small businesses located in this portion of the assessment area is very low at 1.64 percent (10 small businesses), which significantly limits opportunities for small business lending in this CT. UCNB ranked 15th of 60 lenders with an overall market share of 1.05 percent for small business lending.

Lending Gap Analysis

We reviewed maps and reports detailing UCNB's home mortgage, small business, and small farm lending activity over the evaluation period. We reviewed these reports to identify any gaps in the geographic distribution of these loans. We did not identify any conspicuous gaps in lending activity during our review.

Inside/Outside Ratio

As discussed under the state of Indiana lending test discussion, UCNB's lending inside the assessment area had a positive impact on the overall geographic distribution conclusions. This analysis was performed at the bank level. The substantial majority of home mortgage loans, small loans to businesses, and small loans to farms originated or purchased by UCNB were within the bank's Indiana and Ohio AAs. Overall, 86 percent of the home mortgage loans, small loans to businesses and farms, and CD loans originated or purchased by UCNB during the evaluation period were extended within its AAs. Eighty-four percent of the bank's home mortgage loans, 86 percent of the small loans to businesses, and 88 percent of the small loans to farms were extended within the bank's AAs.

Distribution of Loans by Income Level of the Borrower

UCNB's distribution of loans by income level of the borrower showed that the bank's performance is good in the Ohio AA. Home mortgage lending was weighted the most heavily in our analysis as these loans represent a greater percentage of the bank's loan portfolio than small loans to businesses or small loans to farms and constituted the largest type of lending during the evaluation period. Home mortgage lending is considered good and small business lending is considered adequate in this AA. Small farm lending was not evaluated in the Ohio AA, as the bank did not extend any small farm loans in this AA during the evaluation period.

Home Mortgage Loans

The overall distribution of home mortgage loans by income level of the borrower is good in the Ohio AA. Refer to Tables 7, 8, and 9 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.

Home Purchase Loans

The distribution of home purchase loans by income level of the borrower is adequate in the Ohio AA. Refer to Table 7 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 purchase loans.

An analysis of home purchase loans during 1999 and 2000 shows the bank extended no home purchase loans to low-income borrowers and five (8 percent) home purchase loans to moderate-income borrowers. Based on 2000 HUD median family income information, low- and moderate-income families represent 17 percent and 18 percent of the families in the AA, respectively. It is important to note that over 28 percent of the households in the AA are living below the poverty

level. It is also important to note that the bank did not receive any applications for home purchase loans from low-income borrowers in this AA and only 12 percent of the home purchase applications received were from moderate-income borrowers. The reader should keep in mind that the minimum sales price for a single family home in the AA is approximately \$85,000, based on our discussion with a local realtor. A low-income family has a maximum income of \$28,899, which may make it difficult for these individuals to qualify for a home purchase loan.

UCNB ranks first of 85 lenders with a market share of 8.56 percent of the number of home purchase loans extended in the assessment area. The bank's market share of loans to moderate-income (7.27 percent) borrowers is lower than the bank's overall market share and the market share to upper-income borrowers (18.58 percent). The bank's market share to moderate-income borrowers exceeds the market share to middle-income borrowers (4.29 percent).

Home Improvement Loans

The distribution of home improvement loans by income level of the borrower is good in the Ohio AA. 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 improvement loans.

The bank made one loan (15 percent) to low-income borrowers and three loans (43 percent) to moderate-income borrowers. The bank's level of lending performance to low-income borrowers is below the percentage of low-income families in the AA (17 percent). The bank's level of lending performance to moderate-income borrowers significantly exceeds the percentage of moderate-income families in the AA (18 percent). It is important to note that while the bank extended only one home improvement loan to a low-income borrower, the bank only received one home improvement loan application from a low-income borrower in this AA. One reason for this low demand for home improvement loans is that more than 28 percent of the households in this AA are living below the poverty level.

UCNB did not obtain any market share in this AA for home improvement loans for 1999. There is a high level of competition from large banks and non-bank lenders, who dominate the market for home improvement loans. There were only eight home improvement loans extended to low-income borrowers and eight extended to moderate-income borrowers by all lenders in 1999. Market share data for 2000 is not yet available; however, based on 1999 market share data, the bank's one loan to a low-income borrower would have ranked the bank third of seven lenders with a market share of 12.5 percent. The bank's three loans to moderate-income borrowers would have ranked the bank first of seven lenders with a dominant 33 percent market share.

Home Mortgage Refinance Loans

The distribution of home mortgage refinance loans by income level of the borrower is good in the Ohio AA. Refer to Table 9 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 refinance loans.

An analysis of the home mortgage refinance originations in 1999 and 2000 shows the bank extended no loans to low-income borrowers and four (18 percent) loans to moderate-income borrowers. It is important to note that the bank did not receive any applications for home

mortgage refinance loans from low-income applicants in this AA. One reason for this low demand for home mortgage loans is that more than 28 percent of the households in this AA are living below the poverty level. The bank's lending performance to moderate-income borrowers equal the percentage of moderate-income borrowers in the AA (18 percent).

UCNB ranks fifth of 102 lenders with an overall market share of 4.57 percent of the number of home mortgage refinance loans extended in the AA. The bank's market share of home mortgage refinance loans to moderate-income borrowers (4.41 percent) approximates the bank's overall market share and exceeds the bank's market share to middle-income borrowers (3.03), but is less than the bank's market share to upper-income borrowers (8.33 percent).

Small Loans to Businesses

The bank's distribution of small loans to businesses by income level of the borrower is adequate in the Ohio AA. 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 origination and purchase of small loans to businesses.

UCNB extended 68 percent of its small loans to businesses to businesses with revenues of \$1 million or less. UCNB's lending to businesses with revenues of less than \$1 million is below the level of these businesses in the AA. Businesses with revenues of \$1 million or less make up 91 percent of all businesses in this AA.

UCNB ranks 15th of 60 lenders in this AA with a market share of 1.75 percent in lending small loans to businesses with revenues of less than \$1 million. The bank's market share of small loans to businesses with revenues of less than \$1 million exceeds its overall small business market share of 1.05 percent.

All of the bank's business loans extended were extended in original amounts less than \$1 million. Fifty-four percent of UCNB's small business loans were for original amounts of \$100,000 or less. An additional 32 percent of the bank's small business loans were for original amounts between \$100,000 and \$250,000, and 14 percent of reported small loans to businesses were extended in original amounts between \$250,000 and \$1 million.

Community Development Lending

Refer to Table 1 in the state of Ohio section of appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a neutral impact on the lending test in the Ohio AA. UCNB extended various loans with community development characteristics, such as mortgage loans providing affordable housing to low- and moderate-income individuals and loans to small businesses which promoted economic development, that have already been considered in the home mortgage or small business categories of the lending test.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the lending test conclusions for the Ohio AA. UCNB offers several flexible-lending products to serve its community's credit needs; however, few loans have been extended under these programs. None of the products is considered innovative. A brief description of each program and the volume (number and dollars) of activity in the AA for each program during this evaluation period follows.

Cool Loans - 1 loan, \$48,000

This is a 30-year fixed-rate mortgage product geared toward first-time homebuyers. The product provides for financing up to 100 percent of a home's value and has less stringent debt-to-income underwriting requirements. Borrowers are required to purchase private mortgage insurance if the amount of the loan compared to the value of the property (loan-to-value) is greater than 80 percent.

Credit Solutions Loans - 0 loans

This product offers two different 30-year adjustable rate loan products, one that begins to adjust semi-annually after six months and the other that adjusts semi-annually after two years. This loan product is geared towards individuals who have had past credit problems or do not have credit established. This product offers less stringent debt-to-income and minimum down payment requirements. The minimum down payment required depends on the severity of the borrower's credit problems and is based on credit scoring. Down payment requirements range from 10 percent to 30 percent depending on the borrower's credit history. Private mortgage insurance is not required. Borrowers may use gifts for down payment and closing costs but must be able to fund their own prepaid expenses for items such as escrow and interest from the date of closing to the first day of the next month.

Flex 195 Loans - 0 loans

This is a 30-year fixed-rate mortgage product that offers a lower down payment than is typically required. The minimum down payment allowed under this program is 3 percent; the maximum allowed is 10 percent. Borrowers are required to purchase private mortgage insurance if the loan-to-value is greater than 80 percent. This program offers less stringent debt-to-income requirements; allows funds for down payment, closing costs, and prepaid expenses to come from gifts or loans; allows for lender contributions towards closing costs and prepaid expenses; and allows seller contributions (maximum of 3 percent) toward closing costs and prepaid expenses.

Community Lending Program #650 - 1 loan, \$62,500

This program requires a lower down payment than conventional loans. For home purchase loans, the minimum down payment is 5 percent; for refinance loans the minimum is 10 percent. Private Mortgage insurance is required for homes with a loan-to-value over 80 percent. This program allows less stringent debt-to-income requirements. The borrower must provide 3 percent of the down payment and closing costs; 2 percent may come from gifts or grants. Private mortgage insurance is not required. This program also has income restrictions. To

qualify, a borrower cannot make more than 100 percent of HUD's median family income for the area.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Ohio is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Ohio AA is adequate. Based on discussion with the OCC's District Community Affairs Officer and bank management, there is little to no opportunity for qualifying community development investments in the AA. Although UCNB did not make any qualifying investments during the evaluation period in this AA, their performance is considered adequate.

Refer to Table 12 in the state of Ohio section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

SERVICE TEST

The bank's performance under the service test in Ohio is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Ohio AA is adequate.

Retail Banking Services

Refer to Table 13 in the state of Ohio section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

UCNB's delivery systems are reasonably accessible to geographies and individuals of different income levels in this assessment area. UCNB operates one full-service branch facility and two ATMs in this AA. Although there are no branches in the low-income census tract, the branch provides reasonable access to residents of this CT. The branch is located approximately four blocks away in an adjacent CT. Based on the makeup of the low-income CT, as outlined in the market profile in appendix B, and the proximity of branches to low-income CTs, the distribution of the bank's locations is reasonable when compared to the distribution of the population in the AA. Comparatively, 20 percent of the population in the AA lives in the low-income CT. UCNB recently entered the Butler County market with the opening of one branch and two ATMs in June 1999. The branch and ATM are located in a middle-income CT, where approximately 52 percent of the population resides. It should be noted that there are only six CTs in the Ohio AA, one of which is a low-income CT, three are middle-income CTs, one is an upper-income CT, and one does not have an income designation. Activity in the Ohio AA has been minimal. Miami University of Ohio is located in the low-income CT and 95 percent of the population residing in this CT are students residing in college dormitories. Less than one percent (.98 percent) of the bank's total deposits were originated in the AA. UCNB did not close any branches in this AA during the evaluation period.

The branch office provides full banking services. The bank offers numerous loan and deposit products, including ATM and debit cards. Loan products include various mortgage and business loans, and consumer loans.

Branch hours offer reasonable access and convenience. The branch hours are not inconvenient, for the low-income CT or low- and moderate-income individuals. The branch has a drive up facility. Lobby hours are 8:30 a.m. to 5:00 p.m., Monday through Thursday and 8:30 a.m. to 6:00 p.m. on Friday. Saturday hours are 8:30 a.m. to 12:00 p.m.

UCNB operates two ATMs in this AA. The branch has an ATM on its premises. UCNB has one freestanding ATM. There are no ATMs in the low-income CT. The ATM on the bank premises provides reasonable access to residents of the one low-income CT, in that it is located only four blocks away in an adjacent CT.

UCNB offers some alternative delivery systems used to expand the availability of retail bank services to all areas of the AA. In addition to their ATM network, the bank offers 24-hour telebanking to its customers and on-line banking, a computer based banking service that can be accessed via computer terminals in individual homes and businesses. These services allow customers to check balances, pay bills, transfer funds, and make loan payments from all income

CTs. UCNB did not have any information to show how low- and moderate-income individuals or CTs benefited from the telephone and/or on-line banking alternative delivery system. Therefore, we could not place significant weight on this alternative system when drawing our CRA performance conclusions.

Community Development Services

UCNB provides an adequate level of community development services in the Ohio AA. The bank is an approved participating bank for Individual Development Accounts (IDA) and Interest on Lawyers' Trust Accounts (IOLTA).

Government Check Cashing Program: The bank will cash government checks for non-account holders for a minimal fee of \$1.00.

IDA Accounts: The bank adheres to the state guidelines for participating banks. The IDA program is designed to assist qualifying individuals to accumulate savings and personal finance skills. The funds are deposited with a financial institution and the accounts are administered by a community development corporation (CDC). IDA accounts must be utilized to pay for costs at an accredited institution of higher education, pay for the costs associated with an accredited or a licensed training program that may lead to employment for the individual or a dependent of the individual, purchase a primary residence for the individual or a dependent of the individual, or start or purchase all or part of a business. A qualifying individual must be a member of a household with an annual household income that is less than 150 percent of the federal income poverty level.

IOLTA: Through these programs, lawyers and title agents are permitted to deposit client funds into a single account. These accounts are designed to be used to handle funds that are small in amount or to be held for a short period of time. The interest on these accounts is directed to the Ohio Legal Assistance Foundation. The funds benefit low-income individuals who are unable to afford the cost of private legal assistance. The program supports legal aid societies.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): (1/1/99 to 12/31/00) Investment and Service Tests and CD Loans: (2/14/97 to 6/11/01)	
Financial Institution	Products Reviewed	
The Union County National Bank of Liberty (UCNB) Liberty, Indiana		
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Indiana Indiana non-MSA AA	Full-Scope	
Ohio Ohio AA (Hamilton-Middletown MSA) #3200	Full-Scope	

Appendix C: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

State of Indiana	C-2
State of Ohio	C-5

State of Indiana

Indiana non-MSA AA

Demographic Information for Full-Scope Area: Indiana non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	28	3.57	21.43	67.86	7.14	0.00
Population by Geography	104,942	.98	22.08	68.30	8.64	0.00
Owner-Occupied Housing by Geography	27,463	.76	17.35	72.30	9.59	0.00
Businesses by Geography	3,647	1.97	27.58	60.52	9.93	0.00
Farms by Geography	573	.17	2.97	91.10	5.76	0.00
Family Distribution by Income Level	29,139	20.33	21.31	23.67	34.69	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	12,135	1.75	28.48	63.34	6.44	0.00
Median Family Income HUD Adjusted Median Family Income for 2000 Households Below the Poverty Level	= \$30,800 = \$46,000 = 13.88%	Median Housing Value Unemployment Rate				= \$42,144 = 4.6%

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

Indiana non-MSA AA:

The bank's Indiana non-MSA AA consists of Fayette, Union and Wayne Counties. This AA consists of twenty-eight BNAs of which one (4 percent) is low-income, six (21 percent) are moderate-income, nineteen (68 percent) are middle-income, and two (7 percent) are upper-income.

The population of the AA is 104,942. Of this total, 1 percent of the population resides in the low-income BNA, 22 percent live in moderate-income BNAs, 68 percent live in middle income BNAs, and 9 percent reside in upper-income BNAs in the AA. Based on the 2000 HUD adjusted Non-metropolitan Median Family Income of \$46,000, the percentage breakdown of families in the AA by income level is 20 percent low-income, 21 percent moderate-income, 24 percent middle-income, and 35 percent upper-income. A low-income family has a maximum income of only \$22,999. In addition, almost 14 percent of the households in the AA are living below the poverty level. These factors may make it difficult for low-income individuals to qualify for a home purchase loan.

Of the 42,924 housing units in the AA, 27,463, or 64 percent, of the homes are owner occupied. Approximately 1 percent of the owner occupied units is located in the AA's low-income tract. Seventeen percent of the owner occupied units are located in moderate-income census tracts, 72 percent are located in middle-income tracts, and the remaining 10 percent are in upper-income census tracts. Thirty percent, or 12,645, of the housing units are rental-occupied while the remaining 2,816 units (7 percent) are vacant. The median housing price for the non-metropolitan areas of Indiana is \$42,144 and the average age of homes is approximately 47 years old.

Demographic data from Dun & Bradstreet indicate there are 3,647 businesses in the AA. Eighty-nine percent, or 3,225, of these businesses have gross revenues of less than \$1 million, 8 percent have revenues over \$1 million, with the revenues of the remaining 3 percent of the businesses unknown. Two percent of the businesses are located in the low-income BNA, 28 percent are located in moderate-income BNAs, 60 percent are in middle-income BNAs, and 10 percent are in upper-income BNAs of the AA.

Demographic data from Dun and Bradstreet indicate there are 573 farms in the AA. Ninety-nine percent, or 567, of these farms have gross revenues of less than \$1 million, less than 1 percent have revenues over \$1 million, with the revenues of the remaining less than 1 percent of the farms unknown. Less than 1 percent of the farms are located in low-income BNAs, 3 percent are in moderate-income BNAs, 91 percent are in middle-income BNAs, and 6 percent are in upper-income BNAs of the AA.

The service industry is the largest industry in the AA, followed by manufacturing and retail trade. Major employers in the AA are: Visteon Automotive Systems with 3,700 employees, Stant Manufacturing Inc with 500 employees, Reid Hospital with 1,600 employees, Belden Wire and Cable with 1,100, Richmond Community Schools with 675 employees, Richmond State Hospital with 625 employees, Roots Blower - Division of Dresser Industries with 150 plus employees, Union County School Corporation with 225 employees, and NSK Corporation with 104 employees.

We reviewed one recent community contact with a local realtor primarily serving Wayne County during the examination. The realtor indicated that the local economy is fairly good and that there has been recent commercial and residential development. He stated that the average sales price of a single family home is between \$80,000 - \$90,000. This contact felt that there is wide variety of credit programs available from the local financial institutions.

We contacted the OCC's District Community Affairs Officer to determine the level and types of investment opportunities available in the AA. We also reviewed available performance evaluations from other financial institutions in the AA to determine the level and types of investments other local financial institutions have made. We determined that there are limited investment opportunities available in this AA.

State of Ohio

Ohio AA

Demographic Information for Full-Scope Area: Ohio AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	6	16.67	0.00	50.00	16.67	16.67
Population by Geography	25,613	20.43	0.00	51.86	19.80	7.91
Owner-Occupied Housing by Geography	3,132	.22	0.00	69.57	29.98	.23
Businesses by Geography	609	1.64	0.00	80.13	17.73	.50
Farms by Geography	68	0.00	0.00	94.12	5.88	0.00
Family Distribution by Income Level	3,462	17.30	17.82	24.06	40.82	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	1,216	4.61	0.00	73.93	21.46	0.00
Median Family Income HUD Adjusted Median Family Income for 2000 Households Below the Poverty Level	= \$38,674 = \$57,800 = 28.13%	Median Housing Value Unemployment Rate				= \$79,687 = 3.0%

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

Ohio AA:

The Ohio AA, which includes the portion of Butler County containing Oxford Township, consists of six CTs of which one (16.67 percent) is low-income, three (50 percent) are middle income, one (16.67 percent) is upper-income, and one (16.67 percent) is NA (an income level has not been assigned to this CT). Butler County comprises the Hamilton-Middletown MSA in Ohio. The low-income CT encompasses the Miami University of Ohio campus. The NA CT is adjacent to the low-income CT and the University owns the majority of the land in this tract. Included in the NA tract are dorms, an intramural sports field, university buildings, as well as some residences around the perimeter of the tract.

The population of the MSA is 25,613. Of the total population, 20 percent reside in the low-income CT, 52 percent reside in middle income CTs, and 20 percent reside in upper-income CTs in the AA. The remaining 8 percent of the population reside in the NA CT. Ninety-five percent and 98 percent of the population residing in the low-income and NA CTs, respectively, live in college dormitories. The large number of students in the low-income and NA CTs accounts for decreased demand for home mortgage products in these CTs, since college students generally do not have a need for these types of products and generally would not qualify for a mortgage loan based on their limited income. Based on the 2000 HUD adjusted Non-metropolitan Median Family Income of \$57,800, the percentage breakdown of families in the MSA by income level is 17 percent low-income, 18 percent moderate-income, 24 percent middle-income, and 41 percent upper-income. A low-income family has a maximum income of only \$28,899. Of the total households in the low-income CT, 82 percent are low-income households and 53 percent are living below the poverty level. These factors may make it difficult for low-income individuals to qualify for a home mortgage loan.

Of the 6,982 housing units in the assessment area, 3,132, or 45 percent, of the homes are owner occupied. Only seven (.22 percent) of the owner occupied units are located in the AA's low-income CT, as the majority of the population in this CT reside in college dormitories. Of the remaining owner occupied units, 70 percent are located in middle-income CTs, 30 percent are in upper-income CTs, and less than 1 percent are located in the NA CT. The majority of the population in the NA CT also resides in college dormitories. There are 3,538, or 51 percent, housing units that are rental-occupied while the remaining 312 units (4 percent) are vacant. The median housing price for the MSA is \$79,687 and the average age of homes is approximately 36 years old.

Demographic data from Dun & Bradstreet indicate there are 609 businesses in the AA. Ninety-one percent, or 554, of these businesses have gross revenues of less than \$1 million, 6 percent have revenues over \$1 million, with the revenues of the remaining 3 percent of the businesses unknown. Two percent of the businesses are located in the low-income CT, 80 percent are in middle-income CTs, and 18 percent are in upper-income CTs of the AA.

Demographic data from Dun and Bradstreet indicate there are 68 farms in the AA. One hundred percent have gross revenues of less than \$1 million. Ninety-four percent are in middle-income BNAs, and 6 percent are in upper-income CTs in the AA.

The service industry is the largest industry in the AA, followed by manufacturing and retail

trade. Major employers in the MSA are: Miami University with 3,500 employees, Square D Company (manufacturing) with 634 employees, McCullough Hyde Memorial Hospital with 410 employees, Talawanda School District with 334 employees, Walmart with 125 employees, Kroger with 150 employees, and the City of Oxford with 103 employees.

We performed one community contact with a realtor during the examination. The realtor's primary trade area is a portion of Butler County, Ohio and Union County, Indiana. The realtor stated that the minimum sales price for a single family home in the area is approximately \$85,000 and ranges up to \$700,000. This contact stated that there were a wide variety of credit products offered by local financial institutions, including low down payment loans and other products geared towards first-time homebuyers and low- and moderate-income individuals.

We contacted the OCC's District Community Affairs Officer to determine the level and types of investment opportunities available in the AA. We also reviewed available performance evaluations from other financial institutions in the AA to determine the level and types of investments other local financial institutions have made. We determined that there are limited investment opportunities available in this AA.

Appendix D: Tables of Performance Data

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CONTENT OF STANDARDIZED TABLES

TABLES OF PERFORMANCE DATA	D
STATE OF INDIANA	D-4
STATE OF OHIO.....	D-11

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas 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: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the call reports as an off-balance-sheet item.
- Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.
- Table 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)**
 - For geographic distribution, the table 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 households within each geography. For borrower distribution, the table 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 of households by income

Tables of Performance Data

State of Indiana

Charter Number: 10000002007

Table 1. Lending Volume

LENDING VOLUME - State of Indiana												Evaluation Period: 01/01/1999 TO 12/31/2000	
MSA/Assessment Area	% of Rated Area Deposits in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans (#) in AA	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Full Scope													
Indiana non-MSA AA	100.00	310	18,724	158	10,815	261	8,463	0	0	729	38,002	100.00	

* Deposit Data as of June 30, 2000.

Charter Number: 10000002007

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE - State of Indiana										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
Indiana non-MSA AA	0.76	0.00	17.35	11.82	72.30	80.91	9.59	7.27	9	3.70	0.00	1.19	4.58	3.13	110	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Charter Number: 10000002007

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT- State of Indiana										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
Indiana non-MSA AA	0.76	0.00	17.35	3.28	72.30	85.25	9.59	11.48	12	1.72	0.00	0.00	2.34	0.00	61	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Charter Number: 10000002007

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE - State of Indiana										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
Indiana non-MSA AA	0.76	0.00	17.35	7.91	72.30	84.89	9.59	7.19	6	3.65	0.00	1.06	4.57	3.48	139	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Charter Number: 10000002007

Table 5. Geographic Distribution: Small Loans to Businesses

Geographic Distribution: SMALL BUSINESS - State of Indiana										Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans		
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full Scope																	
Indiana non-MSA AA	1.97	5.70	27.58	8.86	60.52	75.32	9.93	10.13	6	7.12	5.71	0.77	11.14	2.27	158	100.00	

* Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Charter Number: 10000002007

Table 6. Geographic Distribution: Small Loans to Farms

Geographic Distribution: SMALL FARM - State of Indiana										Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans		
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full Scope																	
Indiana non-MSA AA	0.17	0.00	2.97	0.38	91.10	95.02	5.76	4.60	1	33.62	0.00	0.00	35.33	0.00	261	100.00	

* Based on 1999 Aggregate Data only. Market rank is for all income categories combined.

** Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Charter Number: 10000002007

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HMDA HOME PURCHASE- State of Indiana										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
Indiana non-MSA AA	20.33	7.27	21.31	19.09	23.67	21.82	34.69	48.18	9	3.70	2.58	3.28	2.58	8.62	110	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available. No income information was available for 3.64% of loans originated in the Indiana non-MSA AA.

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

Charter Number: 10000002007

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT - State of Indiana										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
Indiana non-MSA AA	20.33	14.75	21.31	11.48	23.67	27.87	34.69	44.26	12	1.72	2.27	0.00	1.69	3.13	61	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available. No information was available for 1.64% of loans originated in the Indiana non-MSA AA.

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

Charter Number: 10000002007

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE - State of Indiana										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Mortgage Refinance Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
Indiana non-MSA AA	20.33	5.76	21.31	23.02	23.67	25.90	34.69	44.60	6	3.65	2.95	2.62	4.28	7.04	139	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available. No information was available for .72% of loans originated in the Indiana non-MSA AA.

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

Charter Number: 10000002007

Table10. Borrower Distribution: Small Loans to Businesses

Borrower Distribution: SMALL BUSINESS - State of Indiana						Evaluation Period: 01/01/1999 TO 12/31/2000			
MSA/Assessment Area	Businesses With Revenues of \$1 million or less		% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*			Total Small Loans to Businesses
	% Business**	% Bank Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total****
Full Scope									
Indiana non-MSA AA	88.43	61.39	83.54	11.39	5.06	7.12	8.70	158	100.00

* The market consists of all other Small Business reporters in UCNB's assessment area and is based on 1999 Aggregate Small Business Data only.

** Businesses with revenues of \$1 million or less as a percentage of all businesses

***Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

****Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Charter Number: 10000002007

Table 11. Borrower Distribution: Small Loans to Farms

Borrower Distribution: SMALL FARM - State of Indiana		Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Businesses With Revenues of \$ 1million or less		% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans	
	% Farms**	% Bank Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total****
Full Scope									
Indiana non-MSA AA	98.95	90.80	93.10	6.51	0.38	33.62	33.82	261	100.00

* The market consists of all other Small Farm reporters in UCNB's assessment area and is based on 1999 Aggregate Small Business Data only.

** Farms with revenues of \$1 million or less as a percentage of all farms.

***As a percentage of loans with borrower income information available.

****Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Charter Number: 10000002007

Table 12. Qualified Investments

QUALIFIED INVESTMENTS - State of Indiana		Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Scope									
Indiana non-MSA AA	0	0	11	1,503	11	1,503	100	0	0

* "Prior Period Investments" means investments made in a previous evaluation period that remains outstanding.

***"Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L - "Off-Balance Sheet Items".

Charter Number: 10000002007

Table13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS - State of Indiana														Evaluation Period: 01/01/1999 TO 12/31/2000			
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net change in Location of Branches (+ or -)				% of the Population with Each Geography*			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope																	
Indiana non-MSA AA	100.00	5	100.00	0.00	0.00	80.00	20.00	0	1	0	0	1	0	0.98	22.08	68.30	8.64

* The percentage of the population in the MSA/AA that resides in these geographies.

Tables of Performance Data

State of Ohio

Charter Number: 10000002007

Table 1. Lending Volume

LENDING VOLUME - State of Ohio												Evaluation Period: 01/01/1999 TO 12/31/2000	
MSA/Assessment Area	% of Rated Area Deposits in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans (#) in AA	
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)		
Full Scope													
Ohio AA	100.00	90	11,373	22	3,456	0	0	0	0	113	14,830	100.00	

* Deposit Data as of June 30, 2000.

Charter Number: 10000002007

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE - State of Ohio												Evaluation Period: 01/01/1999 TO 12/31/2000					
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	***	% of Total***	
Full Scope																	
Ohio AA	0.22	0.00	0.00	0.00	69.57	54.24	29.98	44.07	1	8.56	0.00	0.00	9.14	7.20	59	100.00	

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** This total includes one loan made in the NA census tract with no income designation, which represented 1.69% of bank loans extended in the Ohio AA.

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

Charter Number: 10000002007

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT - State of Ohio										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
Ohio AA	0.22	0.00	0.00	0.00	69.57	42.86	29.98	57.14	0	0.00	0.00	0.00	0.00	0.00	7	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Charter Number: 10000002007

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE - State of Ohio										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	***	% of Total***
Full Scope																
Ohio AA	0.22	0.00	0.00	0.00	69.57	54.55	29.98	40.91	5	4.57	0.00	0.00	3.46	7.27	22	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** This total includes one loan made in the NA CT, which represented 4.55% of bank loans extended in the Ohio AA.

**Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Charter Number: 10000002007

Table 5. Geographic Distribution: Small Loans to Businesses

Geographic Distribution: SMALL BUSINESS - State of Ohio										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
Ohio AA	1.64	0.00	0.00	0.00	80.13	68.18	17.73	31.82	15	1.05	0.00	0.00	0.93	1.54	22	100.00

* Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Charter Number: 10000002007

Table 6. Geographic Distribution: Small Loans to Farms

Geographic Distribution: SMALL FARM - State of Ohio										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
Ohio AA	0.00	0.00	0.00	0.00	94.12	0.00	5.88	0.00	8	2.22	0.00	0.00	2.94	0.00	0	0.00

* Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Charter Number: 10000002007

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HMDA HOME PURCHASE - State of Ohio										Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans		
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***	
Full Scope																	
Ohio AA	17.30	0.00	17.82	8.47	24.06	16.95	40.81	67.80	1	8.56	0.00	7.27	4.29	18.58	59	100.00	

*Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available. No income information was available for 6.78% of loans originated in the Ohio AA.

***Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated AA.

Charter Number: 10000002007

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT - State of Ohio										Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans		
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***	
Full Scope																	
Ohio AA	17.30	14.29	17.82	42.86	24.06	14.29	40.81	28.57	0	0.00	0.00	0.00	0.00	0.00	7	100.00	

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

**As a percentage of loans with borrower income information available.

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

Charter Number: 10000002007

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE - State of Ohio										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Mortgage Refinance Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
Ohio AA	17.30	0.00	17.82	18.18	24.06	9.09	40.81	72.73	5	4.57	0.00	4.41	3.03	8.33	22	100.00

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

**As a percentage of loans with borrower income information available.

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

Charter Number: 10000002007

Table10. Borrower Distribution: Small Loans to Businesses

Borrower Distribution: SMALL BUSINESS - State of Ohio						Evaluation Period: 01/01/1999 TO 12/31/2000				
MSA/Assessment Area	Businesses With Revenues of \$1 million or less		% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*			Total Small Loans to Businesses	
	% Business**	% Bank Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total****	
Full Scope										
Ohio AA	90.97	68.18	54.55	31.82	13.64	1.05	1.75	22	100.00	

* The market consists of all other Small Business reporters in UCNB's assessment area and is based on 1999 Aggregate Small Business Data only.

** Businesses with revenues of \$1 million or less as a percentage of all businesses.

***Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

****Small loans to businesses originated and purchased in the MSA/AA as a percentage of small loans to businesses originated and purchased in the rated area.

Charter Number: 10000002007

Table11. Borrower Distribution: Small Loans to Farms

Borrower Distribution: SMALL FARM - State of Ohio		Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Businesses With Revenues of \$ 1million or less		% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans	
	% Farms**	% Bank Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total****
Full Scope									
Ohio AA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00

* The market consists of all other Small Farm reporters in UCNB's assessment area and is based on 1999 Aggregate Small Business Data only.

** Farms with revenues of \$1 million or less as a percentage of all farms.

***As a percentage of loans with borrower income information available.

****Small loans to farms originated and purchased in the MSA/AA as a percentage of small loans to farms originated and purchased in the rated area.

Charter Number: 10000002007

Table 12. Qualified Investments

QUALIFIED INVESTMENTS - State of Ohio		Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Scope									
Ohio AA	0	0	0	0	0	0	0.00	0	0

**Prior Period Investments" means investments made in a previous evaluation period that remains outstanding.

***Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L - "Off-Balance Sheet Items".

Charter Number: 10000002007

Table13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS - State of Ohio														Evaluation Period: 01/01/1999 TO 12/31/2000			
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net change in Location of Branches (+ or -)				% of the Population with Each Geography*			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope																	
Ohio AA	100.00	1	100.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	20.43	0.00	51.86	19.80

* The percentage of the population in the MSA/AA that resides in these geographies.