



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 10, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Greenville National Bank
Charter Number 13944**

**446 South Broadway
Greenville, Ohio 45331**

**Comptroller of the Currency
Central Ohio Field Office
325 Cramer Creek Court, Suite 101
Dublin, Ohio 43017-3577**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

<i>INSTITUTION'S CRA RATING</i>	<i>1</i>
<i>DESCRIPTION OF INSTITUTION</i>	<i>1</i>
<i>DESCRIPTION OF ASSESSMENT AREA</i>	<i>2</i>
<i>CONCLUSIONS ABOUT PERFORMANCE CRITERIA</i>	<i>3</i>

GENERAL INFORMATION

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

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Greenville National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **February 10, 2003**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

- A majority of the bank's loans reviewed are within the bank's AA.
- The bank's loan to deposit ratio is reasonable.
- The distribution of borrowers reflects reasonable penetration among individuals of different incomes and business of different sizes.

DESCRIPTION OF INSTITUTION

Greenville National Bank (GNB) is a \$278 million institution with its headquarters in Greenville, Ohio. The bank has nine branch locations all located in Darke County, Ohio. Full service branches are located in Greenville, Ansonia and Arcanum. Limited service locations are located in Pittsburg, Gettysburg, with two additional offices in Greenville. GNB has four automatic teller machines, with two in Greenville, and one each in Arcanum and Ansonia.

GNB is a wholly owned subsidiary of Greenville National Bancorp, a one-bank holding company. GNB's primary lines of business are residential real estate lending and installment lending. The bank offers a variety of lending products to accommodate the credit needs of borrowers within their assessment area (AA).

GNB's loan portfolio totals approximately \$204 million or 75% of total assets. Tier 1 capital is \$26 million. The loan mix as of September 30, 2002 was as follows:

Loan Mix as of September 30, 2002		
Loan Type	\$ 000's	% of Gross loans
Residential Real Estate	152,442	74%
Consumer	35,743	17%
Commercial	11,199	5%
Agricultural	6,385	3%
Other	688	1%
TOTAL	206,457	100%

Source: September 30, 2002 Uniform Bank Performance Report

There are no financial or legal impediments that affect the bank's ability to help meet the credit needs of its AA. GNB's CRA rating as of August 1997 was "Satisfactory Record of Meeting Community Credit Needs." The bank's lending performance for 1997, 1998, 1999, 2000, 2001, and 2002 was reviewed in detail.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA consists of 12 block-numbering areas (BNAs). All BNAs are located in Darke County, Ohio. One of the BNAs is moderate-income, ten of the twelve BNAs are middle income, and one is upper income. Eight percent of the bank's AA consists of moderate-income geographies, 84% consists of middle-income geographies and 8% percent consist of upper-income geographies. There are no low- income geographies in the bank's AA. The AA complies with all regulatory requirements and does not arbitrarily exclude any low- or moderate-income areas.

The 1990 census data indicates a population of 53,619 for the AA. The AA 2002 updated median family income for non-MSA areas is \$48,700. Based on this figure, the following chart provides information on the percentage of families by various income levels within the AA.

Families by Income Levels in AA	
Income Level	% of Families in the AA
Low	15
Moderate	19
Middle	26
Upper	40
TOTAL	100

The majority of housing in the AA is owner-occupied (73%), and the median housing value is \$51,111. One-to-four family homes represent 90% of the housing stock. Mobile homes account for 6% and multi-family homes account for 3%.

The local economy is stable. Major economic activities consist of services, agriculture and construction. Major employers for the AA include Whirlpool, Greenville Technical, and Allied Signal. As of December 2002, the unemployment rate for Darke County was 5.2% versus 5.4% for the entire state.

Competition for loans and deposits within the bank's AA is strong. Major competitors in the bank's AA include large regional banks, local independent institutions as well as savings banks. Among the financial institutions in the AA are Fifth Third, Greenville Savings and Loan, Second National Bank and Farmers State Bank.

We conducted one community contact during this examination with a local realtor. The contact stated that local financial institutions are meeting the credit needs of the community and local businesses. The contact; however, also stated there is need for additional multi-family housing in the bank's AA.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

GNB's loan-to-deposit ratio and its quarterly loan-to-deposit ratio are reasonable and meet the standards for satisfactory performance. The average loan-to-deposit ratio for the 21 quarters dated September 1997 to September 2002 was 84.34%. GNB's loan-to-deposit ratio as of September 03, 2002 was 88.04%. For analysis purposes, the loan-to-deposit ratio was reviewed and averaged since the last CRA examination dated August 1997. Similarly situated institutions based on asset size of between \$100-\$300 million located in Ohio had an average loan-deposit ratio of 77.76% as of September 30, 2002.

Lending in Assessment Area

A majority of GNB's loans are within the bank's AA and the bank's record reflects satisfactory performance. A sample of the bank's home mortgage loans (purchase, refinance, and home improvement) as well as consumer, small business and agricultural loans originated during the years 1997, 1998, 1999, 2000, 2001 and 2002 were reviewed using the bank's loan trial. The sample consisted of twenty loans of each type.

The following tables indicate the sample results by number and dollar percentage. The table below indicates that a majority of the home mortgage loans made are within the bank's AA. Based on the home mortgage loan sample, home mortgage performance was as follows: 75% of the home purchase, 90% of the refinance and 80% of the home improvement loans originated during the review period were within the bank's AA.

Home Mortgage Loan Originations 1997-2002						
Loan Type	Total Loans		Loans in AA		% of # in AA	% of \$ in AA
	#	\$ 000's	#	\$ 000's		
Home purchase	20	1,300	15	939	75%	72%
Refinance	20	1,563	18	1,388	90%	89%
Home Imp.	20	922	16	736	80%	80%
TOTAL	60	3,785	49	3,063	82%	81%

Source: Sample of 20 loans of each type originated between 1997-2002

The sample of consumer, commercial and agricultural loans revealed similar results with a

majority of all loan types originated within the AA. The following table indicates a majority of consumer, small business and agricultural loans are within the bank's AA. For the review period, 55% of consumer loans, 85% of small business loans and 95% of agricultural loans, based on number, were within the AA.

Consumer, Commercial & Agriculture Loan Originations 1997-2002				
Loan Type	# of Loans in AA	\$ 000's of Loans in AA	% of #	% of \$
Consumer	11	89	55%	43%
Commercial	17	930	85%	97%
Agricultural	19	671	95%	97%

Source: sample of 20 loans of each type originated between 1997 and 2002

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

The distribution of loans, given the demographics of the AA, reflects reasonable penetration among borrowers of different incomes and supports satisfactory performance. The number of loans for both home mortgage and consumer is well above the percentage of families in the AA for low-and moderate- income categories. Loans to small businesses and small farms also reflect the demographics of the AA, with 95% of these loans originated to businesses or farms with revenues less than \$1 million.

Distribution of Home Mortgage Loans by Borrower Income					
Borrower Income Category	% of Families in AA by Income Category	# of Loans	% of Loans	\$ 000 amount of loans	% of \$
Low	15.33	9	15.00	366	8
Moderate	18.49	11	18.33	557	12
Middle	26.12	20	33.33	1,722	37
Upper	40.05	20	33.33	1,962	43
Total	100.00	60	100.00	4,607	100

Source: Sample of 20 home purchase, 20 refinance and 20 home improvement loans originated between 1997-2002

The distribution of home mortgage loans is reasonable given the demographics of the AA and reflects reasonable penetration among borrowers of different income levels (including low- and moderate-income). The table above illustrates that 20 or 33.33% of the home mortgage loans originated between 1997-2002 were made to low- and moderate- income borrowers. For both low and moderate- income borrowers, the percentage of loans made approximates the percentage of families within the AA.

Distribution of Consumer Loans by Borrower Income
--

Borrower Income Category	% of Families in AA by Income Category	# of Loans	% of Loans	Amount of Loans \$000	% of \$
Low	15.33	11	55	121	58
Moderate	18.49	6	30	61	29
Middle	26.12	2	10	24	12
Upper	40.05	1	5	1	1
Total	100.00	20	100	207	100

Source: sample of 20 consumer loans originated between 1997-2002

The distribution of consumer loans to borrowers of different incomes is excellent and demonstrates strong performance for this loan type. While 34% of the families in the AA are low- or moderate-income, 85% of the loans sampled were made to low- and or moderate-income borrowers. The preceding table illustrates the distribution of consumer loans to borrowers within the various income categories compared to the percentage of families in each income category in the bank's AA.

Distribution of loans to Businesses and Farms of Different Sizes			
Revenue Size of Business	Number of Loans	Percentage of Number of Small Business & Small Farm Loans	Percentage of Businesses in the AA
Less than \$1 million	38	95	83.71
Greater than \$1 million	2	5	5.46
Revenue not Reported			10.83
TOTAL	40	100	100.00

Source: sample of 20 business and 20 agricultural loans originated between 1997-2002

The preceding table illustrates the bank's distribution of loans to small businesses and small farms is reasonable and supports satisfactory performance. GNB has a satisfactory record of lending to businesses of different sizes when compared to the number of small businesses and small farms in its AA. According to 1990 census data, 84 % of the businesses and farms in the AA reported revenues of less than \$1 million annually, 5% reported revenue of greater than \$1 million and 11% did not report revenue. Based on our sample, 38 of the 40 loans (95%) were made to businesses or farms reporting revenues of less than \$1 million.

Geographic Distribution of Loans

Geographic Distribution of Loans								
Loan Type	Low Income BNA		Moderate Income BNA		Middle Income BNA		Upper Income BNA	
	#	\$	#	\$	#	\$	#	\$
Home Mortgage	0	0	6	297	47	3,227	7	445
Consumer	0	0	0	0	19	115	1	8
Small Business	0	0	4	422	11	224	5	217
Small Farm	0	0	0	0	19	343	1	25
Total	0	0	10	719	96	3,909	14	695

Source: sample of 20 purchase, 20 refinance, 20 home improvement, 20 consumer, 20 small business and 20 agricultural loans originated between 1997-2002

Overall the dispersion of the loans sampled is reasonable and reflects the AA's geographic income and further supports satisfactory performance. The preceding table illustrates the dispersion of loans throughout the bank's AA. GNB's AA consists of one moderate-income BNA (8% of AA), one upper income BNA (8% of AA) and 10 middle-income BNAs (83% of AA). The dispersion of loans reflects this with 8% of all loans sampled located in the moderate-income BNA, while 10% were located in the upper income BNA and 81% located in the middle income BNAs.

The following tables illustrate the geographic distribution of home mortgage, consumer, business and agriculture loans from samples of lending activity occurring from 1997-2002.

Distribution of Home Loans by Geography Income vs. AA Owner Occupied Housing Units						
Income Category	Sample results by # and \$				% of AA Owner Occupied Units	
	#	%	\$	%	#	%
Low	0	0	0	0	0	0
Moderate	6	10	296,915	8	1,940	10
Middle	47	78	3,227,001	88	17,151	84
Upper	7	12	445,203	12	1,274	6
Totals	60	100	3,672,024	100	20,365	100

Source: Sample of 20 home purchase, 20 refinance and 20 home improvement loans originated between 1997-2002

The dispersion of home loans when evaluated by income geography and compared to the AA's level of owner occupied housing is reasonable. This evaluation indicates that 6 loans (10%) were made in moderate income geographies, 47 (78%) were made in middle income geographies and 7 (12%) were made in upper income geographies.

Distribution of Consumer Loans Geography Income vs. AA Household Income		
Income Category	Sample results by # and \$	AA of Household Income

	#	%	\$	%	#	%
Low	0	0	0	0	0	0
Moderate	0	0	0	0	1,775	13
Middle	19	95	114,773	94	16,345	83
Upper	1	5	7,555	6	1,254	4
Totals	20	100	122,328	100	20,338	100

Source: Sample of 20 consumer loans originated between 1997-2002

While the table above indicates a lack lending activity for consumer loans to borrowers in low and moderate-income geographies, the lack of activity in bank's moderate income geography can be traced to the location of the bank's branch offices which are all located in middle income geographies. Additionally, the bank's single moderate-income geography contains only 7.5% of the AA's population

Distribution of Business Loans by Geography Income						
Income Category	Sample results by # and \$				# of Business in each geographic income category	
	#	%	\$	%	#	%
Low	0	0	0	0	0	0
Moderate	4	20	422,045	49	337	17
Middle	11	55	223,793	26	1,947	80
Upper	5	25	217,200	25	165	7
Totals	20	100	863,038	100	2,449	100

Source: Sample of 20 business loans originated between 1997-2002

The dispersion of business loans by geography is reasonable when compared to the overall geographic composition of the AA. The sample of 20 commercial loans originated in the AA revealed that 4 (20%) were made in moderate-income geographies, 11 (55%) were made in middle-income geographies, and 5 (25%) were made in upper-income geographies.

Distribution of Agricultural Loans by Geography Income						
Income Category	Sample results by # and \$				# of Farms in each geographic income category	
	#	%	\$	%	#	%
Low	0	0	0	0	0	0
Moderate	0	0	0	0	13	2
Middle	19	95	342,647	93	701	93
Upper	1	1	25,045	7	41	5
Totals	20	100	367,692	100	755	100

Source: Sample of 20 Agricultural loans originated between 1997-2002

The dispersion of agricultural loans accurately reflects the AA's demographics. The lack of lending activity in the moderate-income geography is attributable to the small percentage of farms within that income geography. Only 2% of the farms in the bank's AA are located within the moderate-income geography.

Responses to Complaints

The bank has not received any complaints from the public regarding its performance in meeting the credit needs of the AA.

Fair Lending, Other Illegal Credit Practices, and Predatory and Abusive Lending Practices

We found no evidence of illegal discrimination or other illegal credit practices.