

SECTION

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CRA PERFORMANCE EVALUATION



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

June 27, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Merchants National Bank
Charter Number 2449

100 North High Street
Hillsboro, OH 45133

Office of the Comptroller of the Currency

Central Ohio – Indiana Field Office
Westlake Center
4555 Lake Forest Drive, Suite 520
Blue Ash, OH 45242-3760

Note: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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 Outstanding.

The Lending Test is rated: Outstanding.

The Community Development Test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on the state rating and the following overall conclusions:
 - The loan-to-deposit (LTD) ratio is more than reasonable.
 - A substantial majority of the bank's loans are inside the assessment areas (AAs).
 - The bank exhibits excellent geographic distribution of loans in its AAs.
 - The bank exhibits an overall excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the products lines offered by the bank. The Office of the Comptroller of the Currency (OCC) placed more weight on the Non-MSA AA and Columbus MSA AA as most of the lending occurred in these AAs during the evaluation period.
- The Community Development (CD) Test rating is based on the state rating, which is overall outstanding. The bank's level of CD lending represents excellent responsiveness to CD needs, considering the bank's capacity and the need and availability of such opportunities for CD in the AAs. The OCC placed more weight on CD lending over CD investments and services, given the opportunities for CD during the recent pandemic.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is more than reasonable.

Merchants National Bank's (hereafter "MNB" or "bank") quarterly average LTD ratio over the 11 quarters since the previous CRA evaluation (June 30, 2019, to December 31, 2021) is 89.7 percent. The ratio ranged from a high of 99.3 percent as of September 30, 2019, to a low of 79.6 percent as of September 30, 2021. The bank's quarterly average LTD ratio of 89.7 percent is more than reasonable when compared to financial institutions of similar size in the bank's AAs, which includes 13 financial institutions with total assets less than \$1.5 billion and that are headquartered in one of the bank's AAs. The other 13 financial institutions have an average LTD ratio of 84.3 percent, ranging from 66.5 percent to 119.8 percent. MNB is ranked 5th highest out of the similarly situated financial institutions in the AAs for average LTD ratio during the evaluation period. MNB sells a majority of the home mortgage loan originations to the secondary market, with 508 loans totaling \$89.2 million sold during the evaluation period (2019, 2020, and 2021).

Lending in Assessment Area

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

The bank originated and purchased 83.3 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,591	83.3	319	16.7	1,910	283,352	78.9	75,886	21.1	359,238
Small Business	49	81.7	11	18.3	60	5,674	79.0	1,508	21.0	7,182
Total	1,640	83.3	330	16.7	1,970	289,026	78.9	77,394	21.1	366,420

*Source: Bank Data. Evaluation Period: 1/1/19 – 12/31/21.
Due to rounding, totals may not equal 100.0%.*

Description of Institution

MNB is an intrastate community bank headquartered in Hillsboro, Ohio. MNB is a wholly owned subsidiary of Merchants Bancorp, Inc., a one-bank holding company, also located in Hillsboro, Ohio. As of December 31, 2021, MNB had total assets of \$1.2 billion with \$888.1 million in net loans and leases, \$1.1 billion in total deposits, and \$93.9 million in tier 1 capital.

MNB operates 17 full-service banking offices in Athens, Brown, Clark, Clermont, Clinton, Fayette, Highland, Hocking, Madison, and Union Counties in Ohio. Of the 17 offices, 15 have drive-up facilities and all branches have automated teller machines (ATMs) except for the main office in Hillsboro and Greenfield Office on Washington Street. There are two off-premises ATMs located in Logan (Sunoco Crossroads Convenience Store and Shriver's Pharmacy), one in Nelsonville (Shriver's Pharmacy), and one in Higginsport at the bank's former banking office. All offices are open during regular business hours. MNB has 11 offices in moderate-income geographies (including the main office in Hillsboro), five offices in middle-income geographies, and one office that is in a geography that has not been assigned an income classification as of the 2015 American Community Survey (ACS) U.S. Census data. MNB acquired The Citizens Bank of Logan as of April 30, 2019. During the evaluation period, the bank closed one branch in Higginsport, Ohio in 2020. In 2021, the bank moved the Georgetown, Ohio Branch across the street from the previous location. In 2019, the bank opened four branches, one in Clinton County, two in Hocking County, and one in Athens County. The branches in Hocking and Athens counties resulted from the acquisition of The Citizens Bank of Logan.

MNB is a single state financial institution with one rating area, the state of Ohio. MNB has four AAs located in Ohio. MNB has operations in Athens, Clinton, Fayette, and Highland Counties in addition to one census tract (CT) in Ross County. These counties are all in a non-metropolitan statistical area (Non-MSA AA). Within the Cincinnati, OH-KY-IN metropolitan statistical area

(MSA) 17140, the bank operates in Brown and Clermont Counties (Cincinnati MSA AA). Within the Columbus, OH MSA 18140, the bank operates within Hocking, Madison, and Union Counties (Columbus MSA AA). Within the Springfield, OH MSA 44220, the bank operates in 35 CTs in Clark County (Springfield MSA AA). The AAs meet the requirements of the regulation and do not reflect illegal discrimination, nor do they arbitrarily exclude any low- and moderate-income (LMI) areas. The AAs are described in the "Scope of the Evaluation" and "Description of Institution's Operations in Ohio" sections of this performance evaluation.

Competition in the AAs is strong. Competition is comprised of national banks, savings associations, state banks, and branches of larger financial institutions. According to the June 30, 2021, Deposit Market Share Reports from the Federal Deposit Insurance Corporation (FDIC), MNB has an 8.9 percent deposit market share in the Non-MSA AA and ranks 2nd out of 26 financial institutions. MNB has a 2.3 percent deposit market share in the Cincinnati MSA AA and ranks 13th out of 20 financial institutions. MNB has a 14.4 percent deposit market share in the Columbus MSA AA and ranks 3rd out of 16 financial institutions. MNB has a 0.8 percent deposit market share in the Springfield MSA AA and ranks 10th out of 12 financial institutions.

The bank offers a variety of standard lending and deposit products and services through their full-service banking offices to accommodate their customers, including online and mobile banking. Deposit products consist of checking accounts, savings accounts, and certificates of deposit. Loan products consist of home mortgage, commercial/commercial real estate, farm, and consumer loans. As of the December 31, 2021, Consolidated Reports of Condition and Income (Call Report), MNB's total loans were approximately \$896.8 million representing 74.3 percent of total assets. The loan portfolio consisted of 41.6 percent residential real estate (home mortgage), 32.5 percent commercial and industrial loans and commercial real estate loans (business loans), 22.2 percent agriculture loans (farm loans), 2.7 percent consumer loans, and 1 percent other loans. The bank's loan originations, based on number of loans originated, during the evaluation period (2019-2021) are 38.2 percent business loans, 31 percent home mortgage, 8.7 percent farm loans, and 22.1 percent consumer loans. The bank's loan originations, based on dollar amount of loans originated, are 42.5 percent business loans, 37.2 percent home mortgage estate, 16.8 percent farm loans, and 3.5 percent consumer loans. MNB originated 7,117 loans, totaling \$905.8 million over the evaluation period. The bank's primary lending focus is home mortgage and small business lending.

The global Coronavirus Disease (also referred to as COVID-19) pandemic in 2020 impacted the local economy, including unemployment data. The Small Business Administration's (SBA) Paycheck Protection Program (PPP) provided loans to help businesses keep their workforces employed during the COVID-19 crisis. The bank was particularly responsive to the SBA's PPP and originated a significant volume of PPP loans in 2020 and 2021. In 2020, the bank originated 538 PPP loans totaling \$46.6 million. In 2021, the bank originated 1,039 PPP loans totaling \$30.9 million. The 2021 SBA PPP loans met the definition of CD at loan origination and are included as CD loans. Refer to the CD Test section of this report for more details on the 2021 PPP loans.

There are no financial, legal, or other factors that impede the bank's ability to help meet the credit needs of its AAs. MNB's previous CRA rating was Outstanding as of the CRA Performance Evaluation (PE) dated April 29, 2019.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The OCC conducted a CRA performance evaluation to assess the bank's record of meeting the credit and CD needs of its entire community, including LMI areas. The OCC used intermediate small bank CRA evaluation procedures to assess the bank's performance under the Lending and CD Tests. The evaluation period was January 1, 2019, to December 31, 2021.

The OCC evaluated the bank's lending performance based on their primary lending products, home mortgage and small business lending. While the bank offers other lending products, these products were not a primary product during the evaluation period. As a result, the OCC did not consider these as part of the performance evaluation, as an analysis of this data would not be meaningful. MNB's primary lending products are discussed under the "Description of Institution" section in this report. For the Lending Test, the OCC evaluated home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) for 2019, 2020, and 2021. The OCC relied on internal bank reports and completed transaction testing on a random sample of 60 small loans to businesses originated during the evaluation period for each AA. However, for the Springfield MSA AA, the OCC tested all small loans to businesses originated during the evaluation period, which included 35 loans. For the CD Test, the OCC evaluated CD loans, investments, and services during the evaluation period.

For analysis purpose, the OCC compared the bank's lending performance with demographic data from the 2015 ACS U.S. Census data and 2021 Dun and Bradstreet (D&B) data. No affiliate activity was included in this analysis. Refer to the table in appendix A, Scope of the Examination, for more information on the scope of the review.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

MNB has four AAs, as described above under the "Description of Institution" section. The OCC completed a full-scope review for each AA: Non-MSA AA, Cincinnati MSA AA, Columbus MSA AA, and the Springfield MSA AA. A community profile for each AA is provided in the "Description of Institution's Operations in Ohio" section of this evaluation.

The OCC evaluated the bank's performance through an analysis of home mortgage loans, small loans to businesses, CD lending, CD investments activity, and CD services.

Ratings

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

The rating is based on performance in all the bank's AAs. Performance in the Non-MSA MSA AA and Columbus MSA AA was weighted most heavily as 87.2 percent of deposits and 76.5 percent of branch offices are in these AAs. Additionally, approximately 84.1 percent of all home mortgage loan originations during the evaluation period are in these AAs as well. Refer to the "Scope" section under the state rating for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

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

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

State Rating

State of Ohio

CRA rating for the State of Ohio: Outstanding.
The Lending Test is rated: Outstanding.
The Community Development Test is rated: Outstanding.

The major factors that support this rating include:

- MNB exhibits excellent geographic distribution of loans in its AAs.

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the products lines offered by the bank.

Description of Institution’s Operations in Ohio

MNB has four AAs in the state of Ohio: Non-MSA AA, Cincinnati MSA AA, Columbus MSA AA, and the Springfield MSA AA. Bank management selected the AAs based on their targeted lending area and office locations. The AAs meet the requirements of the regulation, and do not arbitrarily exclude LMI geographies. There are no substantial differences in business focus or services offered between the different AAs. The bank’s primary lending focus is home mortgage and small business lending. The bank is headquartered in the Non-MSA AA, with most of the lending and deposit activity in the Non-MSA AA.

The bank opened four branches since the last CRA performance evaluation as of April 29, 2019. In 2019, the bank opened the Wilmington Branch on Rombach Avenue in Clinton County (Non-MSA AA). The bank opened a branch in Clinton County (Wilmington Branch on Wayne Road) in October 2018; however, Clinton County was not included in the prior CRA evaluation due to limited deposit and lending activity for 2018. Clinton County is included in this CRA evaluation. The two Logan Branches in Hocking County (Columbus MSA AA) and Athens Branch in Athens County (Non-MSA AA) were opened in 2019, resulting from the acquisition of The Citizens Bank of Logan. The only change to the bank’s AAs since the prior evaluation was the addition of Athens and Hocking Counties resulting from the acquisition. For this CRA evaluation, the OCC included Athens and Hocking Counties in the analysis for all three years (2019 – 2021) as the AAs were added early in 2019 with eight months of lending and deposit activity.

Non-MSA AA

Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	2.4	29.3	56.1	7.3	4.9

Population by Geography	184,637	3.6	28.7	56.6	6.9	4.3
Housing Units by Geography	78,597	0.9	30.4	58.6	7.1	2.9
Owner-Occupied Units by Geography	43,609	0.0	27.4	64.6	7.6	0.3
Occupied Rental Units by Geography	25,331	2.4	35.6	47.8	6.8	7.3
Vacant Units by Geography	9,657	1.1	29.8	60.1	5.9	3.0
Businesses by Geography	8,951	0.8	33.2	51.5	9.3	5.2
Farms by Geography	772	0.0	18.9	72.3	8.5	0.3
Family Distribution by Income Level	44,229	25.3	18.9	20.4	35.4	0.0
Household Distribution by Income Level	68,940	29.1	16.8	17.7	36.3	0.0
Median Family Income Non-MSAs – OH	\$55,785	Median Housing Value		\$111,888		
		Median Gross Rent		\$693		
		Families Below Poverty Level		15.9%		
<i>Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The bank's Non-MSA AA consists of Athens, Clinton, Fayette, and Highland Counties in their entirety and CT 9557 in Ross County. As of December 31, 2021, the bank has nine full-service offices in the Non-MSA AA with three in Hillsboro, Ohio, two in Greenfield, Ohio, two in Wilmington, Ohio, one in Athens, Ohio, and one in Washington Court House, Ohio. There is a drive-up facility and ATM at each office except the Hillsboro Main Office and the Greenfield Branch on Washington Street. There is one off-premises ATM in Nelsonville, Ohio (Shriver's Pharmacy) as well. The two branches in Wilmington, Ohio are in middle-income CTs, the one branch in Athens, Ohio has not been assigned an income classification for the CT (unknown or non-applicable), and the remaining six are in moderate-income CTs.

Based on the bank's AA in 2021 and 2015 ACS U.S. Census data in the above table, the population of the Non-MSA AA is 184,637, with 3.6 percent of the population in low-income CTs, 28.7 percent in moderate-income CTs, 56.6 percent in middle-income CTs, 6.9 percent in upper-income CTs, and 4.3 percent in CTs that have not been assigned any income classification. As of the 2015 ACS U.S. Census, the AA consists of 41 CTs, and is comprised of one low-income, 12 moderate-income, 23 middle-income, three upper-income, and two CTs in which the geography has not been assigned any income classification. Additionally, there are seven CTs in Athens County that are distressed middle-income nonmetropolitan tracts based on poverty in the area. The seven CTs include 9727, 9728, 9729, 9635, 9736, 9737, and 9738.

The economic conditions in the Non-MSA AA have improved since the start of the COVID-19 pandemic and are overall stable. According to the U.S. Bureau of Labor Statistics as of December 2021, the not seasonally adjusted unemployment rates in Athens, Clinton, Fayette,

Highland, and Ross Counties were 4.2 percent, 3.6 percent, 3.1 percent, 4.5 percent, and 3.6 percent, respectively. These unemployment rates compare reasonably overall to the statewide rate of 3.6 percent, with the rates for Athens and Highland exceeding the statewide rate.

The economy in the Non-MSA AA is diversified with top industries including manufacturing, retail, and agriculture. Top employers in Athens County include Ohio University, Ohio Health, and Stirling UltraCold. Primary employers in Clinton County include ATSG (Air Transport Services Group), R&L Carriers, Ahresty Wilmington Corp., and American Showa. Large employers in Fayette County include YUSA Corporation, Walmart, and Fayette County Memorial Hospital. Top employers in Highland County include Johnson Controls, PAS Technologies, Weastec, Highland District Hospital, and the local school systems. Major employers in Ross County include Kenworth Trucking Company, YSK Corporation, Riffle Machine Works, and Adena Regional Health System.

According to the 2015 ACS U.S. Census data, the median housing value of owner-occupied housing units is \$111,888. With the median family income of \$55,785, moderate-income families make less than \$44,628 and low-income families make less than \$27,893 annually. Median housing values are at least 2.5 times the annual income of moderate-income families and 4 times the annual income of low-income families. Thus, the cost of housing is a significant barrier to homeownership among LMI families. As of the 2015 ACS U.S. Census, there are 78,597 total housing units in the Non-MSA AA, of which 55.5 percent are owner-occupied, 32.2 percent are rental occupied, and 12.3 percent are vacant units. Families living below the poverty level are 15.9 percent as referenced in the table above. The median age of housing stock is approximately 46 years. The cost of homeownership in older housing is typically higher than in newer housing; thus, the median age of housing in LMI geographies is also a significant barrier to mortgage lending in those CTs.

Competition for deposits in the AA is strong. As of the June 30, 2021, FDIC Deposit Market Share Report, MNB held \$617.9 million or 8.9 percent of the deposits inside this market area. This represents 58.8 percent of MNB's total deposits. As of the June 30, 2021, FDIC Deposit Market Share Report, MNB ranked 2nd out of 26 deposit market competitors. The top five financial institutions in deposit market share are National Cooperative Bank, National Association (N.A.), Merchants National Bank, Fifth Third Bank, N.A., Peoples Bank, and Huntington National Bank. These five financial institutions hold 63.8 percent of total deposits in the AA.

Approximately 62.7 percent of MNB's home mortgage lending during the evaluation period occurred in the Non-MSA AA. Based on the 2020 Peer Mortgage Data, MNB has 8.5 percent of the market share for home mortgages, lending \$86.7 million; ranking 1st among 260 market participants. Behind MNB, the top four financial institutions for home mortgage lending are Fifth Third Bank, N.A., Quicken Loans, LLC, U.S. Bank, N.A., and Wright-Patt Credit Union, Inc. Combined these four financial institutions have 18.5 percent of the total market share.

Competition for small business loans is strong. According to the 2020 Peer Small Business Data, 84 lenders originated or purchased small business loans in the AA. The top five institutions for small business lending are American Express National Bank, Peoples Bank, Synchrony Bank, JPMorgan Chase Bank, N.A., and The Huntington National Bank. The top

five competitors hold 48.1 percent of the market share. MNB is not included in the peer small business data report as the bank is not required to report CRA small business data.

Five community contacts were conducted with community service organizations that serve the Non-MSA AA. The contacts mentioned funds for emergency services and shelters, low-cost rehab financing, funds for food pantries, and general operating support for community organizations as needs in the community. One contact noted that the pressing needs in the area continue to be generational poverty, with many of their clients lacking basic services. This contact described the community's need for mental health and substance abuse treatment, as well as a need for financial literacy and childcare services. One contact also anticipates that when pandemic related assistance for utility and housing ends, that there will be an elevated need for affordable housing and utility assistance. This contact also stated that MNB is very engaged in the community and provides credit to community organizations that may be critical for their operations. Specific to credit needs, the contacts mentioned affordable housing and SBA loans as credit needs in the AA. Overall, local financial institutions are adequately meeting the credit and CD needs of the community.

Cincinnati MSA AA

Demographic Information of the Assessment Area						
Assessment Area: Cincinnati MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	49	0.0	26.5	51.0	20.4	2.0
Population by Geography	244,532	0.0	25.6	54.4	19.9	0.0
Housing Units by Geography	101,017	0.0	27.0	55.1	17.9	0.0
Owner-Occupied Units by Geography	67,713	0.0	23.6	54.6	21.8	0.0
Occupied Rental Units by Geography	23,771	0.0	33.1	57.9	9.0	0.0
Vacant Units by Geography	9,533	0.0	35.9	51.1	13.0	0.0
Businesses by Geography	13,432	0.0	22.5	52.9	24.6	0.0
Farms by Geography	776	0.0	29.6	54.9	15.5	0.0
Family Distribution by Income Level	65,289	21.3	17.9	21.9	38.8	0.0
Household Distribution by Income Level	91,484	22.7	16.1	18.3	42.9	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$69,949	Median Housing Value			\$148,223
			Median Gross Rent			\$746
			Families Below Poverty Level			8.3%

Source: 2015 ACS and 2021 D&B Data.

Due to rounding, totals may not equal 100.0%.

() The NA category consists of geographies that have not been assigned an income classification.*

The bank's Cincinnati MSA AA consists of Brown and Clermont Counties. As of December 31, 2021, the bank has three full-service offices in the Cincinnati MSA AA, one in each of Mount Orab, Ohio, Batavia, Ohio, and Georgetown, Ohio. The Mount Orab and Georgetown branches are in moderate-income CTs. The Batavia branch is in a middle-income CT. All three branches include drive-up facilities and an ATM station. Additionally, there is one off-premises ATM in Higginsport, Ohio, in Brown County at the bank's former branch location.

Based on the bank's AA in 2021 and the 2015 ACS U.S. Census data in the above table, the population of the Cincinnati MSA AA is 244,532, with 25.6 percent living in moderate-income CTs, 54.4 percent in middle-income CTs, and 19.9 percent in upper-income CTs. As of the 2015 ACS U.S. Census data, the AA consists of 49 CTs, and is comprised of 13 moderate-income, 25 middle-income, 10 upper-income, and one CT in which the geography has not been assigned an income classification.

The economic conditions in the Cincinnati MSA AA have improved since the start of the COVID-19 pandemic and are overall stable. According to the U.S. Bureau of Labor Statistics as of December 2021, the not seasonally adjusted unemployment rate for the Cincinnati MSA AA was 3.1 percent, which compares favorably to the statewide rate of 3.6 percent.

The economy in the Cincinnati MSA AA is diversified with the top industries including manufacturing, health and education services, and retail trade industries. Top employers in Brown County include Milacron, Southern State Community College, local schools, and government offices. Top employers in Clermont County include Total Quality Logistics, American Modern Insurance Group, and Tata Consultancy Services.

According to the 2015 ACS U.S. Census data, the median housing value of owner-occupied housing units is \$148,223. With the median family income of \$69,949, moderate-income families make less than \$55,959 and low-income families make less than \$34,974. Median housing values are at least 2.6 times the annual income of moderate-income families and 4.2 times the annual income of low-income families. Thus, the cost of housing is a significant barrier to homeownership among LMI families. As of the 2015 ASC U.S. Census, there are 101,017 total housing units in the Cincinnati MSA AA, of which 67 percent are owner-occupied, 23.5 percent are rental occupied, and 9.5 percent are vacant units. Families below the poverty level is 8.3 percent as referenced in the table above. The median age of housing stock is approximately 39 years. The cost of homeownership in older housing is typically higher than newer housing; thus, the median age of housing of 43 years in moderate-income geographies is also a barrier to mortgage lending in those CTs.

Competition for deposits in the AA is strong. As of the June 30, 2021, FDIC Deposit Market Share Report, MNB held \$117.7 million in deposits, which is 2.3 percent of the total deposits inside this market area. This represents 11.2 percent of MNB's total deposits. As of the June 30, 2021, FDIC Deposit Market Share Report, MNB ranked 13th of 20 deposit market competitors. The top five financial institutions in deposit market share are Bank of America, N.A., Fifth Third

Bank, N.A., PNC Bank, N.A., JPMorgan Chase Bank, N.A., and U.S. Bank, N.A. These five financial institutions hold 65.4 percent of total deposits in the AA.

Approximately 12.6 percent of MNB’s home mortgage lending during the evaluation period occurred in the Cincinnati MSA AA. Based on the 2020 Peer Mortgage Data, MNB has 0.5 percent of the market share for home mortgages, lending \$12.4 million, and ranking 54th among 333 market participants. The top five financial institutions are Union Savings Bank, Fifth Third Bank, N.A., U.S. Bank, N.A., Quicken Loans, LLC, and Guardian Savings Bank. These five financial institutions have 25.3 percent of the market share.

Competition for small business loans is strong. According to the 2020 Peer Small Business Data, 85 lenders originated or purchased small business loans in the AA. The top five financial institutions for small business lending are U.S. Bank, N.A., American Express National Bank, Fifth Third Bank, N.A., JPMorgan Chase Bank, N.A, and PNC Bank, N.A. The top five competitors hold 49.4 percent of the market share. MNB is not included in the peer small business data report as the bank is not required to report CRA small business data.

The OCC conducted a community contact with community service organizations that serve the Cincinnati MSA AA. The contacts discussed the need for additional support for financial education. In terms of specific lending needs, small dollar loans and affordable housing loans are needs in the community. The contact also stated that banks have improved responsiveness and creativity in CD services. Overall, local financial institutions are adequately meeting the credit and CD needs of the community.

Columbus MSA AA

Demographic Information of the Assessment Area						
Assessment Area: Columbus MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	29	0.0	27.6	58.6	13.8	0.0
Population by Geography	125,840	0.0	26.6	59.0	14.4	0.0
Housing Units by Geography	49,079	0.0	30.1	56.5	13.4	0.0
Owner-Occupied Units by Geography	33,224	0.0	26.0	57.4	16.6	0.0
Occupied Rental Units by Geography	11,500	0.0	39.5	54.6	5.9	0.0
Vacant Units by Geography	4,355	0.0	36.7	53.7	9.6	0.0
Businesses by Geography	7,089	0.0	27.6	50.3	22.1	0.0
Farms by Geography	615	0.0	17.7	65.7	16.6	0.0
Family Distribution by Income Level	32,176	21.3	18.1	21.3	39.3	0.0

Household Distribution by Income Level	44,724	22.9	17.0	17.7	42.4	0.0
Median Family Income MSA - 18140 Columbus, OH MSA	\$70,454		Median Housing Value			\$155,111
			Median Gross Rent			\$709
			Families Below Poverty Level			8.3%
<p><i>Source: 2015 ACS and 2021 D&B Data.</i></p> <p><i>Due to rounding, totals may not equal 100.0%.</i></p> <p><i>(*) The NA category consists of geographies that have not been assigned an income classification.</i></p>						

MNB’s Columbus MSA AA consists of Hocking, Madison, and Union Counties. As of December 31, 2021, the bank has four full-service branches in the Columbus MSA AA, two in Logan, Ohio, one in Marysville, Ohio, and one in London, Ohio. The London Office is in a middle-income CT and the remaining three offices are in moderate-income CTs. All four branches have drive-up facilities and deposit taking ATMs. Additionally, there are two off-premises ATMs in Logan, Ohio (Sunoco Crossroads Convenience Store and Shriver’s Pharmacy).

Based on the bank’s AA in 2021 and the 2015 ACS U.S Census data in the above table, the population of the Columbus MSA AA is 125,840, with 26.6 percent living in moderate-income CTs, 59 percent in middle-income CTs, and 14.4 percent in upper-income CTs. As of the 2015 ACS U.S. Census, the AA consists of 29 CTs, and is comprised of eight moderate-income CTs, 17 middle-income CTs, and four upper-income CTs.

The economic conditions in the Columbus MSA AA have improved since the start of the COVID-19 pandemic and are overall stable. According to Moody’s Analytics, Columbus’ recovery is improving with recent job growth. According to the U.S. Bureau of Labor Statistics as of December 2021, the not seasonally adjusted unemployment rate in the Columbus MSA AA was 2.9 percent, which compares favorably with the statewide rate of 3.6 percent.

The economy in the Columbus MSA AA is well diversified with the top industries including financial services, insurance services, manufacturing, and retail industries. Top employers in Madison County include Target, XPO Logistics, and Mars. Top employers in Union County include Honda of America, Midwest Express, and The Scotts Miracle Gro Company. Top employers in Hocking County include Amanda Bent Bolt Company, General Electric Company, and Gabriel Logan.

According to the 2015 ASC U.S. Census, the median housing value is \$155,111. With median family income of \$70,454, moderate-income families make less than \$56,363, and low-income families make less than \$35,227. Median housing values are 2.8 times the annual income of moderate-income families and 4.4 times the annual income of low-income families. This data shows that the cost of housing is a significant barrier to homeownership for LMI families. As of the 2015 ASC U.S. Census, there are 49,079 housing units in the Columbus MSA AA, of which 67.7 percent are owner occupied, 23.4 percent are occupied rental properties, and 8.9 percent are vacant units. Families below the poverty line are 8.3 percent as referenced in the table above.

The median age of housing stock is approximately 42 years. The cost of homeownership in older housing is typically higher than newer housing; thus, the median age of housing of 50 years in moderate-income geographies is also a barrier to mortgage lending in those CTs.

Competition for deposits in the AA is strong. As of the June 30, 2021, FDIC Deposit Market Share Report, MNB held \$298.2 million in deposits, which is 14.4 percent of the total deposits in this market area. This represents 28.4 percent of MNB's total deposits. As of the June 30, 2021, FDIC Deposit Market Share Report, MNB ranked 3rd of 16 deposit market competitors. The top five financial institutions in deposit market share other than MNB are The Richwood Banking Company, The Huntington National Bank, PNC Bank, N.A. and JPMorgan Chase, N.A. The top five financial institutions, including MNB, hold 82.3 percent of total deposits in the AA.

Approximately 21.4 percent of MNB's home mortgage lending during the evaluation period occurred in the Columbus MSA AA. Based on the 2020 Peer Mortgage Data, MNB has 1.6 percent of the market share for home mortgages, lending \$28.5 million, and ranking 17th among 315 market participants. The top five financial institutions are Huntington National Bank, Quicken Loans, LLC, Union Savings Bank, JPMorgan Chase Bank, N.A., and Wells Fargo Bank, N.A. These five financial institutions have 23.7 percent of the market share.

Competition for small business loans is strong. According to the 2020 Peer Small Business Data, 79 lenders originated or purchased small business loans in the AA. The top five financial institutions for small business lending are Huntington National Bank, JPMorgan Chase Bank, N.A., American Express National Bank, PNC Bank N.A., and U.S. Bank N.A. The top five competitors hold 55.4 percent of the market share. MNB is not included in the peer small business data report as the bank is not required to report CRA small business data.

The OCC conducted two community contact interviews with community service organizations that serve Madison and Union Counties. One contact discussed a needs assessment conducted by their organization that listed the top needs for the community as mental health services/counseling, substance abuse services, dental care, food stamps, vision care, utility payment assistance, repairs to cars or reliable transportation, minor home repairs, and affordable housing. The contacts noted that there is a need for small dollar repair loans, financial literacy education and homeownership counseling, and general operating support for community organizations. Overall, local financial institutions are adequately meeting the credit and CD needs of the community.

Springfield MSA AA

Demographic Information of the Assessment Area						
Assessment Area: Springfield MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	35	11.4	34.3	31.4	22.9	0.0
Population by Geography	107,011	9.4	29.1	36.8	24.7	0.0
Housing Units by Geography	48,753	9.8	29.3	36.6	24.3	0.0

Owner-Occupied Units by Geography	27,408	4.2	21.5	43.7	30.7	0.0
Occupied Rental Units by Geography	15,964	16.6	39.1	27.8	16.4	0.0
Vacant Units by Geography	5,381	18.2	39.9	26.4	15.5	0.0
Businesses by Geography	4,964	6.0	29.3	34.6	30.1	0.0
Farms by Geography	267	3.7	16.1	45.3	34.8	0.0
Family Distribution by Income Level	27,640	22.6	16.6	20.7	40.0	0.0
Household Distribution by Income Level	43,372	26.0	16.5	16.9	40.6	0.0
Median Family Income MSA - 44220 Springfield, OH MSA	\$55,198	Median Housing Value				\$100,678
		Median Gross Rent				\$684
		Families Below Poverty Level				14.9%
<p><i>Source: 2015 ACS and 2021 D&B Data.</i></p> <p><i>Due to rounding, totals may not equal 100.0%.</i></p> <p><i>(*) The NA category consists of geographies that have not been assigned an income classification.</i></p>						

The bank’s Springfield MSA AA consists of portions of Clark County. The following CTs are included in this AA: 2, 3, 4, 5, 6, 7, 9.01, 9.02, 10, 11.01, 11.02, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23.01, 24.03, 24.04, 25.01, 25.02, 26.02, 26.05, 26.06, 30.02, 32, 33.01, 33.02, 34, and 37. As of December 31, 2021, the bank has one full-service branch in Springfield, Ohio, with a drive-up facility and an ATM. The branch is in a middle-income CT.

Based on the bank’s AA in 2021 and the 2015 ACS U.S. Census data in the above table, the population of the Springfield MSA AA is 107,011, with 9.4 percent of the population living in low-income CTs, 29.1 percent in moderate-income CTs, 36.8 percent in middle-income CTs, and 24.7 percent in upper-income CTs. As of the 2015 ACS U.S. Census, the AA consists of 35 CTs, and is comprised of four low-income, 12 moderate-income, 11 middle-income, and eight upper-income CTs.

The economic conditions in the Springfield MSA AA are overall stagnant since the start of the COVID-19 pandemic. According to the U.S. Bureau of Labor Statistics as of December 2021, the not seasonally adjusted unemployment rate in the Springfield MSA is 3.5 percent, which compares reasonably to the statewide rate of 3.6 percent.

The economy of the Springfield MSA AA is diversified with the top industries including education and health services, manufacturing, and government. The Springfield MSA’s top employers include Mercy Health, Assurant Inc., Navistar Inc., International Truck & Engine Corp., and the Air National Guard 178th Wing.

According to the 2015 ACS U.S. Census, the median housing value of owner-occupied housing units is \$100,678. With median family income of \$55,198, moderate-income families make less than \$44,158 and low-income families make less than \$27,599. Median housing values are at least 2.3 times the annual income of moderate-income families and 3.7 times the annual income of low-income families. Thus, the cost of housing is a significant barrier to homeownership among LMI families. As of the 2015 ASC U.S. Census, there are 48,753 total housing units in the Springfield MSA AA, of which 56.2 percent are owner-occupied, 32.7 percent are rental occupied, and 11.1 percent are vacant units. Families below the poverty level is 14.9 percent as referenced in the table above. The median age of housing stock is approximately 62 years. The cost of homeownership in older housing is typically higher than newer housing; thus, the median age of housing of 77 years in low-income geographies and 76 years in moderate-income geographies is also a barrier to mortgage lending in those CTs.

Competition for deposits in the AA is strong. As of the June 30, 2021, FDIC Deposit Market Share Report, MNB held \$16.7 million in deposits, which is 0.8 percent of the total deposits inside this market area. This represents 1.6 percent of MNB's total deposits. As of the June 30, 2021, FDIC Deposit Market Share Report, MNB ranked 10th out of 12 deposit market competitors. The top five financial institutions in deposit market share are The Park National Bank, Huntington National Bank, PNC Bank, N.A., Keybank, N.A., and Fifth Third, N.A. These five financial institutions hold 79.6 percent of total deposits in the AA.

Approximately 3.3 percent of MNB's home mortgage lending during the evaluation period occurred in the Springfield MSA AA. Based on the 2020 Peer Mortgage Data, MNB has 0.6 percent of the market share for home mortgages, lending \$3.8 million, and ranking 31st among 216 market participants. The top five financial institutions are Wright-Patt Credit Union, Inc., The Park National Bank, Quicken Loans LLC, Caliber Home Loans, Inc., and Huntington National Bank. These five financial institutions have 33.4 percent of the market share.

Competition for small business loans is strong. According to the 2020 Peer Small Business Data, 66 lenders originated or purchased small business loans in the AA. The top five financial institutions for small business lending are The Park National Bank, American Express National Bank, Huntington National Bank, PNC Bank, N.A., and U.S. Bank, N.A. The top five competitors hold 54.8 percent of the market share. MNB is not included in the peer small business data report as the bank is not required to report CRA small business data.

The OCC conducted one community contact interview with a community service organization that serves Clark County. The contact noted that needs and opportunities in the community include rehabilitation of existing housing stock, as well as affordable housing and financial literacy education. Overall, local financial institutions are adequately meeting the credit and CD needs of the community.

Scope of Evaluation in Ohio

The OCC performed a full-scope review for each AA. The data in the AAs was analyzed and presented as four AAs for the purposes of this evaluation. Home mortgage and small loans to businesses are the bank's primary lending products and were evaluated under the Lending Test. The OCC used all HMDA data for 2019, 2020, and 2021 for the home mortgage analysis. The

OCC transaction tested 60 small loans to businesses for each AA, except the Springfield MSA AA. For the Springfield MSA AA, the OCC tested all small loans to businesses during the evaluation period, which included 35 loans. The OCC weighted each loan product equally.

Performance in the Non-MSA MSA AA and Columbus MSA AA was weighted most heavily as 87.2 percent of deposits and 76.5 percent of branch offices are in these AAs. Additionally, approximately 84.1 percent of all home mortgage loan originations during the evaluation period were in these AAs as well.

For CD, the OCC placed more weight on the bank's CD lending, as the bank was particularly responsive to the SBA's PPP loans that were originated in 2021 and met the definition of CD.

Conclusions in Respect to Performance Tests in Ohio

Lending Test

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's lending performance in the state of Ohio is excellent.

Distribution of Loans by Income Level of the Geography

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

In 2019, 2020, and 2021, as of the 2015 ACS U.S. Census data, the bank had one low-income CT in the Non-MSA AA and four low-income CTs in the Springfield MSA AA. There were no low-income CTs in the other AAs. The bank had 12 moderate-income CTs in the Non-MSA AA, 13 moderate-income CTs in the Cincinnati MSA AA, eight moderate-income CTs in the Columbus MSA AA, and 12 moderate-income CTs in the Springfield MSA AA.

Home Mortgage Loans

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

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

The bank's geographic distribution of home mortgage loans is excellent.

In determining the ratings, the OCC weighed demographic factors of the AA that could affect the bank's ability to lend. These factors include competition from larger financial institutions, the number of LMI geographies, branch presence, area demographics, and the location of most owner-occupied housing.

Non-MSA AA

The bank exhibits an excellent geographic distribution of home mortgage loans in the Non-MSA AA. The percentage of home mortgage loans originated by the bank in low-income CTs exceeds both the demographic comparator and the aggregate lending data of other HMDA reporters. There is only one low-income CT in this AA in Athens County, Ohio, near Ohio University, where owner-occupied housing opportunities are limited. The percentage of home mortgage loans originated by MNB in the moderate-income CTs significantly exceeds both the demographic comparator and aggregate lending data of other HMDA reporters, demonstrating overall excellent performance.

Cincinnati MSA AA

The bank exhibits an excellent geographic distribution of home mortgage loans in the Cincinnati MSA AA. The percentage of home mortgage loans originated by the bank in the moderate-income CTs significantly exceeds both the demographic comparator and the aggregate lending data of other HMDA reporters, demonstrating overall excellent performance.

Columbus MSA AA

The bank exhibits an excellent geographic distribution of home mortgage loans in the Columbus MSA AA. The percentage of home mortgage loans originated by the bank in the moderate-income CTs significantly exceeds both the demographic comparator and the aggregate lending data of other HMDA reporters, demonstrating overall excellent performance.

Springfield MSA AA

The bank exhibits a reasonable geographic distribution of home mortgage loans in the Springfield MSA AA. The percentage of home mortgage loans originated by the bank in the low-income CTs is slightly below aggregate lending data of other HMDA reporters and below the demographic comparator. The percentage of home mortgage loans originated by MNB in the moderate-income CTs is slightly below the aggregate lending data of other HMDA reporters and below demographic data, demonstrating overall reasonable performance.

The OCC considered other factors including the age of housing stock in the AA. The median age of housing stock is approximately 62 years. The cost of homeownership in older housing is typically higher than newer housing; thus, the median age of housing of 77 years in low-income geographies and 76 years in moderate-income geographies is also a barrier to mortgage lending in those CTs.

Competition is strong in the AA, with the top five financial institutions holding 33.4 percent of the home mortgage market share as of the 2020 Peer Mortgage Data report. Additionally, MNB has only one branch in the Springfield MSA AA which is in a middle-income CT.

Small Loans to Businesses

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

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

The bank's geographic distribution of small loans to businesses is excellent.

In determining the conclusions, the OCC gave consideration for opportunities to lend based on the number of CTs in each income level, the level of competition, and the number of non-farm businesses located in the LMI CTs within each AA.

Non-MSA AA

MNB exhibits an excellent distribution of small loans to businesses in the Non-MSA AA. The percentage of small loans to businesses originated by the bank in the moderate-income CTs significantly exceeds both the demographic comparator and the CRA aggregate data. The percentage of small loans to businesses originated by the bank in the low-income CTs is below both the demographic comparator and CRA aggregate data. However, overall small business lending in the low-income CTs is minimal, with only 0.1 percent for CRA aggregate data. Lending opportunities in the low-income CT are very limited. The only low-income CT in the Non-MSA AA is located near Ohio University in Athens County, Ohio.

Cincinnati MSA AA

MNB exhibits an excellent distribution of small loans to businesses in the Cincinnati MSA AA. The percentage of small loans to businesses originated by the bank in the moderate-income CTs significantly exceeds both the demographic comparator and the CRA aggregate data.

Columbus MSA AA

MNB exhibits an excellent distribution of small loans to businesses in the Columbus MSA AA. The percentage of small loans to businesses originated by the bank in the moderate-income CTs significantly exceeds both the demographic comparator and the CRA aggregate data.

Springfield MSA AA

MNB exhibits a reasonable distribution of small loans to businesses in the Springfield MSA AA. The percentage of small loans to businesses originated by the bank in the LMI CTs is below both the demographic comparator and the CRA aggregate data but is overall reasonable.

Lending Gap Analysis

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

Distribution of Loans by Income Level of the Borrower

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

The OCC placed more weight on the Non-MSA AA and Columbus MSA AA, as most of the lending occurred in these AAs.

Home Mortgage Loans

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

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

The bank's distribution of home mortgage loans among borrowers of different income levels is overall excellent. The OCC placed more weight on the Non-MSA AA and Columbus MSA AA as 84.1 percent of the home mortgage loans were originated in these two AAs.

In evaluating the borrower distribution of home mortgage loans, the OCC considered the level of competition and its effect on limiting the bank's ability to lend to borrowers of different incomes, as well as the economic conditions in the AAs. The OCC also considered the percentage of families that live below the poverty level, and the barriers this creates for these families to qualify for home mortgage financing.

Non-MSA AA

The bank's distribution of home mortgage loans by borrower income level in the Non-MSA AA reflects an overall excellent distribution. MNB's percentage of home mortgage loans to low-

income borrowers is below the demographic data but near to the HMDA aggregate data. MNB's percentage of home mortgage loans to moderate-income borrowers is slightly below demographic data but exceeds HMDA aggregate data.

The OCC considered other factors in the bank's performance during the evaluation period, including the cost of homeownership in the AA as an obstacle to homeownership for low-income borrowers. As stated above, overall median housing values are 4 times the weighted average of median family income of low-income families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to low-income families. Additionally, 15.9 percent of the families live below poverty.

There is strong competition for loans in the AA. The OCC noted that MNB is a top home mortgage lender in the Non-MSA AA. Based on the 2020 Peer Mortgage Data report, MNB has 8.5 percent of the market share for home mortgages, ranking 1st among 260 market participants. Behind MNB, the top three institutions for home mortgage lending are larger banks.

Cincinnati MSA AA

MNB's distribution of home mortgage loans by borrower income level in the Cincinnati MSA AA reflects reasonable distribution. The bank's percentage of home mortgage loans to low-income borrowers exceeds aggregate lending data but is below demographic data. The bank's percentage of home mortgage loans to moderate-income borrowers is below both aggregate lending data and demographic data but is overall reasonable.

The OCC considered other factors in the bank's performance during the evaluation period, including the cost of homeownership in the AA as an obstacle to homeownership for LMI borrowers. As stated above, overall median housing values are 2.7 to 4.2 times the weighted average of median family income of LMI families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to LMI families. Additionally, 8.3 percent of the families live below poverty.

Columbus MSA AA

The bank's distribution of home mortgage loans by borrower income level in the Columbus MSA AA reflects an excellent distribution. The bank's percentage of home mortgage loans to low-income borrowers significantly exceeds aggregate lending data but is below demographic data. The bank's percentage of home mortgage loans to moderate-income borrowers significantly exceeds HMDA aggregate data as well as exceeds demographic data.

The OCC considered other factors in the bank's performance during the evaluation period, including the cost of homeownership in the AA as an obstacle to homeownership for low-income borrowers. As stated above, overall median housing values are 4.4 times the weighted average of median family income of low-income families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to low-income families. Additionally, 8.3 percent of the families live below poverty.

Springfield MSA AA

The bank's distribution of home mortgage loans by borrower income level in the Springfield MSA AA reflects a reasonable distribution. MNB's percentage of home mortgage loans to low-income borrowers is below demographic data but significantly exceeds HMDA aggregate data. MNB's percentage of home mortgage loans to moderate-income borrowers is below both demographic data and HMDA aggregate data but is overall reasonable.

The OCC considered other factors in the bank's performance during the evaluation period, including the cost of homeownership in the AA as an obstacle to homeownership for LMI borrowers. As stated above, overall median housing values are 2.3 to 3.7 times the weighted average of median family income of LMI families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to LMI families. Additionally, 14.9 percent of the families live below poverty. The Springfield MSA AA received the least weight in this evaluation as only 3.3 percent of the home mortgage loan originations occurred in this AA during the evaluation period.

Small Loans to Businesses

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

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

The bank's distribution of small loans to businesses of different sizes is overall excellent, with more weight placed on the Non-MSA AA and Columbus MSA AA as stated above.

In evaluating the borrower distribution of small loans to businesses of different sizes, the OCC considered the level of competition and its effect on limiting the bank's ability to lend, as well as the economic conditions in the AA.

Non-MSA AA

MNB exhibits an excellent distribution of small loans to businesses of different sizes within the Non-MSA AA. The bank's percentage of small loans to businesses with gross annual revenues of \$1 million or less significantly exceeds aggregate lending data but is slightly below the percentage of businesses with gross annual revenues of \$1 million or less (demographic data). Refer to Table R in appendix D for further information.

Competition for small business loans is strong. According to the 2020 Peer Small Business Data, 84 lenders originated or purchased small business loans in the AA. The top five institutions for small business lending are larger banks and held 48.1 percent of the market share as of the 2020 data. MNB is not included in the peer small business data report as the bank is not required to report CRA small business data.

Cincinnati MSA AA

MNB exhibits a reasonable distribution of small loans to businesses of different sizes within the Cincinnati MSA AA. The bank's percentage of small loans to businesses with gross annual revenues of \$1 million or less exceeds aggregate lending data but is below the percentage of businesses with gross annual revenues of \$1 million or less (demographic data).

Columbus MSA AA

MNB exhibits an excellent distribution of small loans to businesses of different sizes within the Columbus MSA AA. The bank's percentage of small loans to businesses with gross annual revenue of \$1 million or less significantly exceeds aggregate lending data and exceeds the percentage of businesses with gross annual revenues of \$1 million or less (demographic data).

Springfield MSA AA

MNB exhibits a reasonable distribution of small loans to businesses of different sizes within the Springfield MSA AA. The bank's percentage of small loans to businesses with gross annual revenues of \$1 million or less exceeds aggregate lending data but is below the percentage of businesses with gross annual revenues of \$1 million or less (demographic data).

Responses to Complaints

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

Community Development Test

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

MNB was particularly responsive to the recent COVID-19 pandemic, and its level of CD loans were highly impactful. The OCC placed more weight on CD lending, given the bank's excellent responsiveness to the COVID-19 crisis and the volume of CD loans made in response to the COVID-19 pandemic. Additionally, management noted that COVID-19 impacted the bank's ability for some CD donations and services, as many of the organizations were temporarily closed at various times throughout the pandemic. Therefore, more weight was placed on CD lending.

Number and Amount of Community Development Loans

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

The number and dollar amount of qualified CD loans represent excellent responsiveness. During the evaluation period, MNB originated 927 qualified CD loans inside their AAs totaling \$27.3 million, which equates to 29 percent of total tier 1 capital as of December 31, 2021. Additionally, the bank originated 118 CD loans in the broader/statewide or regional area of Ohio, totaling \$4.8 million.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Non-MSA AA	610	58.4	15,739	49.0
Cincinnati MSA AA	152	14.5	4,945	15.4
Columbus MSA AA	141	13.5	5,323	16.6
Springfield MSA AA	24	2.3	1,254	3.9
Broader/Regional Area (Ohio) with Indirect Benefit	118	11.3	4,835	15.1

Non-MSA AA

MNB originated 610 CD loans totaling \$15.7 million in the Non-MSA AA, which equates to 28.5 percent of allocated (based on total deposits in the Non-MSA AA) tier 1 capital. This demonstrates excellent responsiveness. In 2021, MNB originated 604 SBA PPP loans totaling \$14.8 million to help businesses keep their workforces employed during the COVID-10 pandemic. The PPP loans particularly helped revitalize or stabilize LMI areas, or distressed middle-income nonmetropolitan areas, and promoted economic development in these areas. The PPP loans are innovative, flexible loan products, given the current COVID-19 crisis. The 2021 PPP loans met the CD definition in place at the time of origination. The bank was particularly responsive to the community's needs in the Non-MSA AA with the origination of PPP loans.

Among the other six CD loans originated totaling \$906,500, all were provided to the same organization that provides affordable housing assistance to LMI individuals and families.

Cincinnati MSA AA

MNB originated 152 CD loans totaling \$4.9 million in the Cincinnati MSA AA, which equates to 47 percent of allocated (based on total deposits in the Cincinnati AA) tier 1 capital. This demonstrates excellent responsiveness. In 2021, MNB originated 152 SBA PPP loans totaling

\$4.9 million to help businesses keep their workforces employed during the COVID-10 pandemic. The PPP loans particularly helped revitalize or stabilize LMI areas and promoted economic development in these areas. The PPP loans are innovative, flexible loan products, given the current COVID-19 crisis. The 2021 PPP loans met the CD definition in place at the time of origination. The bank was particularly responsive to the community's needs in the Cincinnati MSA AA with the origination of PPP loans.

Columbus MSA AA

MNB originated 141 CD loans totaling \$5.3 million in the Columbus MSA AA, which equates to 20 percent of allocated (based on total deposits in the Columbus AA) tier 1 capital. This demonstrates excellent responsiveness. In 2021, MNB originated 138 SBA PPP loans totaling \$4.9 million to help businesses keep their workforces employed during the COVID-10 pandemic. The PPP loans particularly helped revitalize or stabilize LMI areas and promoted economic development in these areas. The PPP loans are innovative, flexible loan products, given the current COVID-19 crisis. The 2021 PPP loans met the CD definition in place at the time of origination. The bank was particularly responsive to the community's needs in the Columbus MSA AA with the origination of PPP loans.

Among the other three CD loans originated totaling \$373,600, one was for affordable housing to LMI individuals and families, one provided CD services in LMI communities or to LMI individuals, and one was for revitalization.

Springfield MSA AA

MNB originated 24 CD loans totaling \$1.3 million in the Springfield MSA AA, which equates to 84.2 percent of allocated (based on total deposits in the Springfield AA) tier 1 capital. This demonstrates excellent responsiveness. In 2021, MNB originated 24 SBA PPP loans totaling \$1.3 million to help businesses keep their workforces employed during the COVID-10 pandemic. The PPP loans particularly helped revitalize or stabilize LMI areas and promoted economic development in these areas. The PPP loans are innovative, flexible loan products, given the current COVID-19 crisis. The 2021 PPP loans met the CD definition in place at the time of origination. The bank was particularly responsive to the community's needs in the Springfield MSA AA with the origination of PPP loans.

Statewide/Regional

MNB is adequately responsive to the CD needs in its AAs so additional consideration was given to 118 CD loans, totaling \$4.8 million, in the broader/statewide area (Ohio). The bank originated 118 PPP loans outside their AA in the state of Ohio, totaling \$4.8 million. The bank's lending in the broader/statewide area represents 5.2 percent of the bank's total tier 1 capital, demonstrating adequate responsiveness.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Non-MSA AA	0	0	63	80	63	53.9	80	54.8	0	0
Cincinnati MSA AA	0	0	20	3	20	17.1	3	2.1	0	0
Columbus MSA AA	0	0	32	59	32	27.3	59	40.4	0	0
Springfield MSA AA	0	0	2	4	2	1.7	4	2.7	0	0

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

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

The Qualified Investment Table, show above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. The table includes all CD investments, including prior period investments that remain outstanding as of the examination date.

MNB's qualified CD investment activity represents adequate responsiveness. The bank made a total of 117 donations totaling approximately \$146,000 during the current evaluation period, which equates to less than 1 percent of total tier 1 capital as of December 31, 2021. Bank management noted that COVID-19 impacted the bank's ability for some CD donations, as many of the organizations were temporarily closed at various times throughout the pandemic.

Non-MSA AA

In the Non-MSA AA, the bank's level of CD investments is adequate given the asset size and the capacity of the bank in this AA. During the evaluation period, MNB made 63 qualifying donations totaling approximately \$80,000 in the Non-MSA AA, which equates to 0.14 percent of allocated tier 1 capital based on total deposits in the AA. Donations in the Non-MSA AA supported child welfare, homeless shelters, food banks, job training assistance, local youth programs, and other community services targeted to LMI individuals and families in the area.

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

Cincinnati MSA AA

In the Cincinnati MSA AA, the bank's level of CD investments is adequate given the asset size and the capacity of the bank in this AA. During the evaluation period, MNB made 20 qualifying donations totaling approximately \$3,000 in the Cincinnati MSA AA, which equates to 0.03 percent of allocated tier 1 capital based on total deposits in the AA. The donations supported child welfare, food pantries, school districts, job training services, and other community services targeted to LMI individuals and families in the area.

This quantity of qualified investments is reasonable given the low deposit market share and low concentration of deposits that originate from the Cincinnati MSA AA.

Columbus MSA AA

In the Columbus MSA AA, the bank's level of CD investments is adequate given the asset size and the capacity of the bank in this AA. During the evaluation period, MNB made 32 qualifying donations totaling almost \$59,000 in the Columbus MSA AA, which equates to 0.22 percent of allocated tier 1 capital based on total deposits in the AA. The donations supported child welfare, homeless shelters, emergency food needs/food pantries, financial literacy, local youth programs, health care facilities, and other community services targeted to LMI individuals and families in the area.

Springfield MSA AA

In the Springfield MSA AA, the bank's level of CD investments is adequate given the asset size and the capacity of the bank in this AA. During the evaluation period, MNB made two qualifying donations totaling almost \$4,000 in the Springfield MSA AA, which equates to 0.27 percent of allocated tier 1 capital based on total deposits in the AA. The donations supported local youth program and food banks targeted to LMI individuals and families in the area.

This quantity of qualified investments is reasonable given the low deposit market share and low concentration of deposits that originate from the Springfield MSA AA.

Extent to Which the Bank Provides Community Development Services

CD Services provided by MNB represent adequate responsiveness to CD needs within the AAs. Various MNB officers and employees serve on community organizations that are active in providing affordable housing needs and services to LMI individuals or promoting economic development within the community. Bank officers and employees are involved with over 28 organizations providing leadership roles in many of the organizations. Officers and employees serve on boards or in other roles at many of the CD organizations, providing technical assistance and expertise. Positions held by bank officers and employees include, but are not limited to, treasurer, chairperson, board member, secretary, advisory committee, and ambassador. Bank management noted that COVID-19 impacted the bank's ability for CD services, as many of the organizations were temporarily closed at various times throughout the pandemic.

MNB is actively involved in several school programs that serve LMI individuals in moderate-income areas. Bank employees provide financial literacy through the “Real Money Real World” program. Additionally, bank employees assist with the Junior Achievement Program in the AAs.

In addition to outside service, MNB offers several products and services targeted to serving LMI individuals. MNB participates in the Federal Home Loan Bank of Cincinnati’s (FHLBC) “Welcome Home Program,” which provides down payment assistance to borrowers who meet the income criteria. MNB is a member of FHLBC; therefore, is permitted to use these grants to assist borrowers. During the evaluation period, MNB assisted seven borrowers with Welcome Home grants. MNB offers a free checking account, which is a no service fee checking account targeted to LMI customers.

MNB’s delivery systems are accessible to geographies and individuals of different income levels throughout the AAs. MNB complements its traditional service delivery methods with certain alternative delivery channels, including online banking, mobile banking, remote deposit, and ATMs. In total, 11 of the 17 branches are in moderate-income CTs throughout the AAs.

Non-MSA AA

MNB’s responsiveness to CD needs in the Non-MSA AA through CD services is adequate. Within the AA, 11 employees provided services to 17 different organizations, with most on an annual basis. In the AA, a few employees participated in more than one CD service. Of the services performed, 11 demonstrated leadership by serving on the board or in a leadership capacity. Many bank officers and employee served on community organizations that are active in providing CD qualified services that provide economic development, revitalize or stabilize LMI areas, or provides services to LMI individuals or families. Some of the organizations include, but are not limited to, Highland County Community Action, Highco Inc., Habitat for Humanity, and Highland County Society for Children and Adults.

MNB is actively involved in several school programs that serve LMI individuals in moderate-income areas. Bank employees participate in the “Real Money Real World” financial literacy program at the Hillsboro City Schools. In addition, MNB has a school savings program at the Hillsboro City Schools that is conducted on a weekly basis. In 2021, one employee provided a financial literacy education presentation to another Highland County school.

MNB serves the Non-MSA AA with nine branches, six in moderate-income CTs, two in middle-income CTs, and one in a CT that has not been assigned an income classification.

Cincinnati MSA AA

MNB’s responsiveness to CD needs in the Cincinnati MSA AA through CD services is adequate. Within the AA, one employee provided financial education/literacy programs to one organization.

MNB serves the Cincinnati MSA AA with three branches, two in moderate-income CTs and one in a middle-income CT.

Columbus MSA AA

MNB's responsiveness to CD needs in the Columbus MSA AA through CD services is adequate. Within the AA, nine employees provided services to ten different organizations, with most on an annual basis. In the AA, a few employees participated in more than one CD service. Of the services performed, 11 demonstrated leadership by serving on the board or in a leadership capacity. Many bank officers and employee served on community organizations that are active in providing CD qualified services that provide economic development, revitalize or stabilize LMI areas, or provides services to LMI individuals or families. Some of the organizations include, but are not limited to, Southeast Ohio Foodbank, Junior Achievement, and the Hocking Hills Chamber of Commerce.

MNB serves the Columbus MSA AA with four branches, three in moderate-income CTs and one in a middle-income CT.

Springfield MSA AA

The bank's performance in the Springfield MSA AA is overall neutral. During the evaluation period, the bank did not provide any qualified CD services. The bank serves the AA with one branch in a middle-income CT.

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 nonmetropolitan 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:	01/1/19 – 12/31/21	
Bank Products Reviewed:	Home mortgage and small business loans CD loans, qualified investments, CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Ohio		
Non-MSA AA	Full-scope	Athens, Clinton, Fayette, and Highland Counties and CT 9557 in Ross County.
Cincinnati MSA AA	Full-scope	Brown and Clermont Counties.
Columbus MSA AA	Full-scope	Hocking, Madison, and Union Counties.
Springfield MSA AA	Full-scope	The following CTs in Clark County: 2, 3, 4, 5, 6, 7, 9.01, 9.02, 10, 11.01, 11.02, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23.01, 24.03, 24.04, 25.01, 25.02, 26.02, 26.05, 26.06, 30.02, 32, 33.01, 33.02, 34, and 37.

Appendix B: Summary of State Ratings

RATINGS: MERCHANTS NATIONAL BANK			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Merchants National Bank	Outstanding	Outstanding	Outstanding
State:			
Ohio	Outstanding	Outstanding	Outstanding

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

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

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

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

Geography: A CT delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

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

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A CT with a median family income that is less than 50 percent.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) "aggregate" is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography - 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 aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.

Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

State of Ohio

Assessment Area:	Total Home Mortgage Loans										Low-Income Tracts				Moderate-Income Tracts				Middle-Income Tracts				Upper-Income Tracts				Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate					
																										2019-21				
Cincinnati MSA AA	200	33,062	12.6	14,515	0.0	0.0	0.0	0.0	18.2	54.6	44.0	53.7	21.8	2.0	28.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Columbus MSA AA	340	65,618	21.4	8,801	0.0	0.0	0.0	17.7	30.9	26.0	55.3	47.5	16.6	13.8	34.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Non-MSA AA	998	177,324	62.7	5,223	0.0	0.3	0.1	25.8	35.1	27.4	59.9	64.9	7.6	4.1	8.8	0.3	0.6	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Springfield MSA AA	53	7,348	3.3	3,781	4.2	1.9	2.1	16.3	15.1	21.5	50.9	44.9	30.7	32.1	36.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Total	1,591	283,352	100.0	32,320	0.7	0.3	0.3	19.1	35.9	24.7	56.6	52.8	18.6	6.9	27.8	0.1	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1					

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data.
 Due to rounding, totals may not equal 100.0%.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower													2019-21						
Assessment Area:	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	
Cincinnati MSA AA	200	33,062	12.6	14,515	21.3	12.0	7.9	17.9	13.5	17.9	21.9	23.0	20.5	38.8	46.0	35.2	0.0	5.5	18.5
Columbus MSA AA	340	65,618	21.4	8,801	21.3	11.2	5.9	18.1	20.6	15.0	21.3	22.4	21.4	39.3	39.4	40.8	0.0	6.5	17.0
Non-MSA AA	998	177,324	62.7	5,223	25.3	4.4	5.0	18.9	17.7	17.4	20.4	21.2	23.8	35.4	50.1	33.9	0.0	6.5	19.9
Springfield MSA AA	53	7,348	3.3	3,781	22.6	11.3	6.2	16.7	11.3	17.3	20.7	24.5	20.2	40.0	45.3	36.1	0.0	7.5	20.2
Total	1,591	283,352	100.0	32,320	22.6	7.0	6.7	18.0	17.6	16.9	21.2	21.8	21.2	38.2	47.1	36.6	0.0	6.4	18.5

Source: 2015 ACS: 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data.
 Due to rounding, totals may not equal 100.0%.

2019-21

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography

Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Cincinnati MSA AA	60	14,482	27.9	0.0	0.0	0.0	22.5	36.7	20.1	52.9	58.3	51.6	24.6	5.0	28.3	0.0	0.0	0.0
Columbus MSA AA	60	8,208	27.9	0.0	0.0	0.0	27.6	58.3	21.8	50.3	38.3	43.4	22.1	3.3	34.8	0.0	0.0	0.0
Non-MSA AA	60	5,811	27.9	0.8	0.0	0.1	33.2	38.3	29.4	51.5	60.0	55.9	9.3	1.7	10.8	5.2	0.0	3.8
Springfield MSA AA	35	7,712	16.3	6.0	2.9	4.5	29.3	25.7	29.4	34.6	48.6	37.2	30.1	22.9	29.0	0.0	0.0	0.0
Total	215	36,213	100.0	1.1	0.5	0.6	27.3	41.4	23.6	49.4	51.6	48.8	20.9	6.5	26.3	1.4	0.0	0.8

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data.
 Due to rounding, totals may not equal 100.0%.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2019-21	
Assessment Area:	Total Loans to Small Businesses			Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM			Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Cincinnati MSA AA	60	14,482	27.9	4,096	84.1	68.3	43.5	4.7	31.7	11.2	0.0		
Columbus MSA AA	60	8,208	27.9	1,891	82.2	86.7	44.6	5.0	13.3	12.8	0.0		
Non-MSA AA	60	5,811	27.9	1,807	77.9	75.0	36.0	4.7	25.0	17.3	0.0		
Springfield MSA AA	35	7,712	16.3	1,243	78.0	65.7	39.0	6.3	31.4	15.7	2.9		
Total	215	36,213	100.0	9,037	81.2	74.9	41.6	5.0	24.7	13.8	0.5		

Source: 2021 D&B Data: 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data.

Due to rounding, totals may not equal 100.0%.