

PUBLIC DISCLOSURE

July 23, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Ohio Heritage Bank
RSSD: 2347044

200 Main Street
Coshocton, Ohio 43812

Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, OH 44101-1387

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

TABLE OF CONTENTS

Institution's CRA Rating	1
Scope of Examination	2
Description of Institution	3
Description of Overall Assessment Area.....	4
Conclusions with Respect to Performance Criteria.....	8
Description of Non-Metropolitan Area, OH.....	11
Conclusions with Respect to Performance Criteria (Non-Metropolitan Area).....	15
Description of Columbus, OH Metropolitan Area 18140.....	18
Conclusions with Respect to Performance Criteria (Columbus, OH Metropolitan Area).....	21
Appendix A: Assessment Area Map.....	22

INSTITUTION'S CRA RATING: Ohio Heritage Bank is rated Satisfactory.

Major factors contributing to this rating include:

- The loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs;
- A substantial majority of loans and other lending-related activities in the assessment area;
- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas;
- Distributions of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income),
- Distributions of loans to businesses reflects a reasonable penetration among businesses of different sizes given the demographics of the assessment areas and;
- There were no CRA-related complaints filed against the bank since the previous CRA examination.

The previous CRA evaluation (June 23, 2003) resulted in a rating of "Satisfactory."

SCOPE OF EXAMINATION

The evaluation of Ohio Heritage Bank's ("Ohio Heritage") CRA performance covered the period of January 1, 2006 through December 31, 2006. This evaluation was performed using the Interagency Small Bank Examination Procedures. Under this examination method, the bank is evaluated by considering lending activity throughout its assessment area.

The lending test includes an analysis of:

- The loan-to-deposit ratio;
- The volume of loans extended inside and outside the bank's assessment areas;
- The geographic distribution of loans in the assessment area, including low and moderate-income census tracts;
- The extent of lending to borrowers of different income levels, including low and moderate-income borrowers, and businesses of different sizes, including small business; and
- The bank's record of taking action in response to written complaints about its performance in helping to meet the credit needs in its assessment areas.

The lending products reviewed for this evaluation included home equity loans, mortgage loans and commercial loans. Home equity loans included home equity loans and lines of credit. Mortgage loans consisted of residential home purchase loans and home refinance loans. Additionally, commercial loans included business loans that were secured by real estate, motor vehicles, or a combination of properties.

Loans secured by 1-4 family residential properties represent 64.03% of the bank's total loan portfolio. Commercial loans account for 20.33% of the bank's total loan portfolio. Between January 1, 2006 and December 31, 2006, Ohio Heritage originated 168 home equity loans, 119 commercial loans, and 68 mortgage loans. As a result, home equity loans received the greatest weight by volume. Commercial loans received the next greatest weight by volume and dollar amount. Mortgage loans received the least amount of weight, based on volume and dollar amount. Lending within Ohio Heritage's non-metropolitan assessment area received greater weight, due to its concentration of lending in this area, its multiple banking locations, and because of its newness to Columbus, Ohio market.

The geographic distribution of loans among various-income census tracts within the bank's assessment areas was evaluated using data from the 2000 United States Census report. Further, the distribution of loans to borrower of different income levels is based on 2006 adjusted median family income statistics, made available by the United States Department of Housing and Urban Development ("HUD").

The bank's borrower income distribution, with respect to home equity loans, was assessed by comparing the percentage of loans made to borrowers in each income category (low-, moderate-, middle-, and upper-income) to the percentage of households in each income category. For commercial loans, the bank's borrower income distribution, was assessed by comparing the percentage of loans made to businesses in each revenue category (less than or equal to \$1 million or greater than \$1 million) to the percentage of total businesses in each revenue category. The borrower income distribution, with respect to mortgage loans, was assessed by comparing the percentage of loans made to borrowers in each income category (low-, moderate-, middle-, and upper-income) to the percentage of families in each income category.

Although poverty level is determined by income and family size, a larger proportion of poverty level families are found in the low-income category and, to some extent, in the moderate-income category. Further, poverty levels can impact middle- and upper-income families as well, but not as significantly as low- and moderate-income families. It is difficult for borrowers at poverty level to qualify for loans because their income is so limited. Poverty level is a factor in the performance context, and taken into consideration in the conclusions regarding the bank's performance. Within the bank's total assessment area, 6.43% of the families are below the poverty level.

DESCRIPTION OF INSTITUTION

Ohio Heritage is a community bank headquartered in Coshocton, Ohio. Ohio Heritage's parent company is Ohio Heritage Bancorp., Inc., which is a financial holding company also located in Coshocton, Ohio. Ohio Heritage Bancorp, Inc. is also a partial owner of Coshocton County Title Agency.

As of March 31, 2007, Ohio Heritage reported total assets valued at \$208.9 million, of which approximately 81.60% (\$170.5 million) represent loans. As of this date, loans secured by 1-4 family residential real estate comprise the majority (64.03%) of the institution's loan portfolio. The remainder of the loan portfolio consists of approximately 20.33% commercial and industrial loans, 8.95% consumer loans, 5.00% construction and land development loans, and 0.23% agricultural loans.

Since the previous evaluation, Ohio Heritage has opened banking offices in Knox and Licking Counties and a Lending Processing Office in New Philadelphia, Ohio (Tuscarawas County). To date, Ohio Heritage has four full service banking locations, including the main office. In addition, Automated Teller Machines ("ATM") are located at all branches.

Ohio Heritage has two assessment areas, which are comprised of Coshocton, Knox, Licking, and Tuscarawas counties. Coshocton, Knox and Tuscarawas Counties are classified as non-metropolitan areas within the State of Ohio. Licking County is included in the Columbus, Ohio Metropolitan Statistical Area ("MSA") 18140.

There are no legal or financial constraints preventing Ohio Heritage from meeting the credit needs of its assessment area; consistent with its asset size, business strategy, resources, and local economy.

DESCRIPTION OF OVERALL ASSESSMENT AREA

For purposes of CRA, Ohio Heritage has designated two regions within the State of Ohio as its assessment areas. Coshocton, Knox, and Tuscarawas Counties, which are non-metropolitan areas, comprise the bank's first assessment area. Details regarding this assessment area are located in the section of this report entitled, "Description of Non-Metropolitan Statistical Area." The second assessment area consists of Licking County, which is included in the Columbus, Ohio MSA. Details regarding this assessment area are located in the section of this report entitled, "Description of Columbus, OH Metropolitan Assessment Area." However, all information within this section is specific to Licking County, rather than all of the Columbus, Ohio MSA.

The entire assessment contains 72 census tracts, of which one is a low-income tract, 15 are moderate-income tracts, 46 are middle-income tracts, and 10 are upper-income tracts.

Population

The 2000 U.S. Census report indicated that the total population of Ohio Heritage's entire assessment area was 327,560. The Ohio Department of Development¹ reported that the estimated population of the bank's entire assessment area rose to 339,911 in 2004. This reflects a population increase of 3.63%, since 2000. Data from the 2000 U.S. Census report stated that individuals age 25 to 64 represented 52.02% of the population. Individuals age 17 and younger comprised 25.66% of the population. Individuals age 65 and over and 18 to 24 accounted for 13.37% and 8.95% respectively, of the population.

Income Characteristics

Based on data released by HUD, the median family incomes, in 2006, for the bank's non-metropolitan assessment area and the Columbus MSA were \$51,100.00 and \$64,400.00, respectively.

As of 2000, there were 125,525 households within the bank's entire assessment area. Of all households, 21.71% were low-income, 17.83% were moderate-income, 21.13% were middle-income, 39.33% were upper-income, and 8.94% of all households lived below poverty level.

Of the 125,525 households in this assessment area, 90,339 were designated as families, of which

¹ www.odod.state.oh.us

18.32% were low-income, 20.24% were moderate-income, 25.16% were middle-income, 36.28% were upper-income, and 6.43% of all families lived below poverty level.

Housing

According to the 2000 U.S. Census report, there were 134,773 housing units in the bank's entire assessment area. The majority (69.87%) of these units were owner-occupied, while 23.32% represented rental units. Vacant units accounted for 6.81% of all housing units. Single-unit properties made up 76.32% of all housing units. Two-to-four unit properties accounted for 9.29% of all housing units. Mobile homes, multi-family units, and other units comprised 8.51%, 5.70%, and 0.18%, respectively, of all housing units in this assessment area. This data further revealed that 0.08% of the assessment area's housing units were located in low-income census tracts, 16.91% were in moderate-income tracts, 68.85% were in middle-income tracts, and 14.16% were in upper-income census tracts. As a result, the majority of Ohio Heritage's home equity and mortgage lending would be expected in middle-, moderate-, and upper-income census tracts.

Economics

The Ohio Department of Development indicates that manufacturing, transportation and warehousing, healthcare and social assistance, and retail trade are the largest industries in the assessment area. This information is based on average annual employment statistics for 2003.

According to the Ohio Job and Family Services, Office of Workforce Development² as of June 2007, the unemployment rates for the bank's assessment area were as follows:

Coshocton County – 7.7%
Knox County – 5.9%
Tuscarawas County – 5.7%
Licking County – 6.0%

During this period, the national unemployment rate was 4.7% and the State of Ohio unemployment rate was 6.1%.

There is significant competition throughout the bank's assessment area. As of June 30, 2006, the

² www.lmi.state.oh.us

Federal Deposit Insurance Corporation (“FDIC”)³ reported that there were 29 FDIC-insured financial institutions operating 114 offices within the bank’s overall assessment area. These statistics further indicated that Ohio Heritage ranked eighth, holding 3.28% of the market share of deposits. Park National Bank (which operates 15 offices within this assessment area) ranked first, holding 22.92% of the market share of deposits. Huntington National Bank (which operates 12 offices within this assessment area) ranked second, holding 14.25% of the market share of deposits.

The following demographic table illustrates the bank’s entire assessment area. As previously mentioned, details regarding the demographics of each assessment area, are located in the respective sections of this evaluation.

³ www.fdic.gov

Combined Demographics Report

Ohio Heritage Bank

Analysis Year: 2006

Assessment Group(s): Overall

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	1.4	169	0.2	63	37.3	16,550	18.3
Moderate-income	15	20.8	16,790	18.6	1,862	11.1	18,284	20.2
Middle-income	46	63.9	60,999	67.5	3,546	5.8	22,729	25.2
Upper-income	10	13.9	12,381	13.7	339	2.7	32,776	36.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	72	100.0	90,339	100.0	5,810	6.4	90,339	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	595	78	0.1	13.1	428	71.9	89	15.0
Moderate-income	27,752	15,921	16.9	57.4	9,590	34.6	2,241	8.1
Middle-income	89,469	64,829	68.8	72.5	18,480	20.7	6,160	6.9
Upper-income	16,957	13,333	14.2	78.6	2,934	17.3	690	4.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	134,773	94,161	100.0	69.9	31,432	23.3	9,180	6.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	346	3.0	299	2.9	37	4.2	10	3.6
Moderate-income	2,236	19.6	2,004	19.6	190	21.5	42	15.3
Middle-income	7,311	64.2	6,549	64.0	570	64.6	192	70.1
Upper-income	1,503	13.2	1,388	13.6	85	9.6	30	10.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	11,396	100.0	10,240	100.0	882	100.0	274	100.0
Percentage of Total Businesses:				89.9		7.7		2.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	67	6.8	65	6.7	2	25.0	0	0.0
Middle-income	843	85.9	835	86.1	6	75.0	2	66.7
Upper-income	71	7.2	70	7.2	0	0.0	1	33.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	981	100.0	970	100.0	8	100.0	3	100.0
Percentage of Total Farms:				98.9		0.8		0.3

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

A financial institution's loan-to-deposit ratio compares the institution's outstanding aggregate loan balances to its total outstanding deposits. This ratio is a measure of an institution's lending volume relative to its capacity to lend and is derived by adding the quarterly loan-to-deposit ratios and dividing the total by the number of quarters.

Ohio Heritage's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the credit needs of its assessment area. The bank has averaged a 126.01% loan-to-deposit ratio over the past 16 quarters of operation, and is above the peer group average ratio of approximately 73.47%.⁴ The bank experienced moderate fluctuations in loan and deposit volume, which caused slight variations in the loan-to-deposit ratios, throughout the evaluation period.

The following table shows Ohio Heritage's quarterly loan-to-deposit ratios for 16 quarters, since the previous evaluation, along with the average loan-to-deposit for the same period.

Loan-to Deposit Ratios			
As of Date	Net Loans (000s)	Total Deposits (000s)	Ratio
March 31, 2007	170,484	137,109	124.34
December 31, 2006	168,041	138,657	121.19
September 30, 2006	164,898	134,355	122.73
June 30, 2006	159,780	128,623	124.22
March 31, 2006	157,053	119,393	131.54
December 31, 2005	157,881	115,788	136.35
September 30, 2005	157,831	116,809	135.12
June 30, 2005	152,997	110,946	137.90
March 31, 2005	149,834	113,924	131.52
December 31, 2004	146,943	111,010	132.37
September 30, 2004	143,771	108,201	132.87
June 30, 2004	140,386	109,724	127.94
March 31, 2004	138,166	113,162	122.10
December 31, 2003	131,507	110,296	119.23
September 30, 2003	125,938	113,372	111.08
June 30, 2003	121,573	115,146	105.58
Quarterly Loan-to-Deposit Ratio Average since the previous examination			126.01

⁴ Ohio Heritage's national peer group consists of all commercial banks having assets between \$100 and \$300 million in non-metropolitan areas with 3 or more full service offices.

Lending in the Assessment Area

The bank's home equity loans, mortgage loans, and small business loans were analyzed to determine the volume of lending inside and outside of the bank's assessment areas. A substantial majority of the bank's loans were made inside of its assessment areas.

The table below depicts Ohio Heritage's volume of loans extended inside and outside of its assessment areas between January 1, 2006 and December 31, 2006.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside the Assessment Area				Outside the Assessment Area			
	# of Loans	%	\$(000s)	%	# of Loans	%	\$(000s)	%
Commercial	119	90.8	12,230	77.6	12	9.2	3,529	22.4
Mortgage	68	93.2	7,263	93.9	5	6.8	468	6.1
Home Equity	168	91.3	7,212	94.7	16	8.7	405	5.3
Total	355	91.5	26,705	85.9	33	8.5	4,402	14.1

Geographic Distribution of Lending

Ohio Heritage's loan production reflects a reasonable dispersion of lending among various income census tracts, within its assessment area. The bank exceeded standards for commercial lending in low-income census tracts within the Columbus MSA. It also exceeded applicable proxies for lending in moderate-income census tracts for each of the product lines reviewed. However, although lending in moderate-income and distressed middle-income tracts is excellent, there is a disproportionate level of lending in upper-income tracts as compared to all middle-income tracts. Therefore, the overall geographic distribution is considered reasonable.

Borrower Distribution of Lending

The bank's loan production reflects a reasonable penetration of lending, among borrowers of different income levels and businesses of different revenue sizes. Despite a sluggish economy in its non-metropolitan assessment area, Ohio Heritage exceeded applicable proxies for lending to moderate-income borrowers. Further, the bank exceeded standards regarding its lending to businesses with annual revenues of \$1 million or less and providing businesses (regardless of annual revenues) with loan amounts less than or equal to \$1 million.

Community Contacts

Two community contacts were conducted, during this examination. Both of the organizations interviewed are based in Coshocton County.

Negative effects of the weakened economy and high unemployment rates were a primary emphasis of both interviewees. According to both contacts, the area has lost thousands of jobs, over the last few years, thereby increasing the financial needs of the area's residents. Although many individuals have significant financial and credit needs, both organizations stated that local financial institutions adequately address the needs of the community.

Response to Consumer Complaints

No CRA-related complaints were filed against Ohio Heritage during this evaluation period.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping the credit needs of the community was noted during this evaluation. Ohio Heritage has also adopted a number of procedures regarding its CRA function, such as self-evaluations and employee training, which help the bank monitor and control risks associated with the Equal Credit Opportunity Act.

DESCRIPTION OF NON-METROPOLITAN ASSESSMENT AREA

Ohio Heritage has designated Coshocton, Knox, and Tuscarawas Counties as one of its two assessment areas. Each of these counties is located in non-metropolitan areas, within the State of Ohio.

This assessment area is comprised of 41 census tracts. There are no low-income census tracts, five moderate-income census tracts, 31 middle-income census tracts, and five upper-income census tracts within this assessment area.

Ohio Heritage's main office and one branch are located in Coshocton County. One banking branch is located in Mt. Vernon, Ohio (Knox County) and the bank's Lending Processing Office is located in New Philadelphia, Ohio (Tuscarawas County).

Coshocton County contains six middle-income census tracts that are designated as distressed areas, as defined by the Community Development Financial Institutions Fund. These six tracts are classified as distressed areas due to a countywide unemployment rate of 7.7% (as of June 2007), which is higher than the national unemployment rate of 4.7%. Additional information regarding these distressed areas is available through the Federal Financial Institutions Examination Council⁵ and the State of Ohio Department of Development.

Population

Data released by the United States Bureau of the Census, in 2000, reported that the total population of this assessment area (Coshocton, Knox, and Tuscarawas Counties) was 182,069. The most recent data available states that as of 2004, the estimated total population for this assessment area was 187,045, which represents an increase of approximately 2.66% since 2000. The 2000 U.S. Census Report stated that there were 69,937 households within this assessment area. The median household income was \$36,225.00. Low-income households represented 21.53% of the total household population. Moderate-income households accounted for 17.86% of total households. Middle and upper-income households represented the majority at 21.66% and 38.94%, respectively.

Of the 69,937 households within this assessment area, 50,081 (71.61%) were classified as families. The median family income was \$42,632.00. Further, 17.68% of these families were low-income, 20.12% were moderate-income, 25.20% were middle-income, 37.01% were upper-income, and 7.21% of these families were below poverty level.

For the fiscal year ending 2006, HUD reported that the median family income for non-metropolitan areas in Ohio was \$51,100.00, which represents an increase of 16.57% above the 2000 Census figures.

Economics

⁵ www.ffiec.gov

Manufacturing is the primary employment base within this assessment area. However, this sector is gradually diminishing, as local employers have downsized and reduced workforces. Coshocton County's major employers include Kraft Foods, Inc. and American Electric Power Company. TRW Automotive and Knox Community Hospital are two of Knox County's major employers. Smurfit-Stone Container Corporation and Wal-Mart Stores, Inc. are large employers in Tuscarawas County.

The local job market has softened since the recession of 2001 due to layoffs and plant closings. Coshocton County was particularly impacted when General Electric and Novelty Advertising laid off over 1,000 employees between 2003 and 2004.

As of June 2007, Coshocton County's unemployment rate was 7.7%, exceeding both the national and State unemployment rates of 4.7% and 6.1%, respectively. Unemployment rates in Knox and Tuscarawas Counties were 5.9% and 5.7%, respectively.

Increased unemployment rates throughout this region have also negatively impacted local schools. Schools have experienced property value declinations and forced staff reductions due to failed levies, thus contributing to the deterioration of the local economy.

Although Coshocton County has not yet fully recovered from the effects of the 2001 recession, employment rates are expected to improve with the creation of a new Ethanol plant and marketing firm that will create approximately 65 new jobs. Kraft Foods, Inc. and American Electric Power Company are also planning to expand production and upgrade facilities, which will add new jobs in the future.

The weakened local economy and elevated unemployment rates may present fewer lending opportunities for Ohio Heritage, as many local residents may not have stable income to repay loans.

Housing

The most recent data available (2000 U.S. Census report) revealed that this assessment area contained 76,103 housing units, of which, 69.41% were owner-occupied. Rental units accounted for 22.65% of the housing units; and 7.93% of the total housing units were vacant properties.

Within this assessment area, 13.48% of all households were located in moderate-income census tracts, 77.60% were in middle-income census tracts, and 8.92% were located in upper-income census tracts.

The majority (76.17%) of the housing units, in this assessment area, were secured by one-unit

properties. Mobile homes represented 10.47% of total housing units. Two to four family units, multi-family units, and all other unit types made up 8.97%, 4.13%, and 0.26%, respectively, of total housing units in the assessment area. It is further noted that 38.90% of all housing units in this assessment area were built prior to 1950. The median age of housing units in Coshocton County was 39 years; while the median ages of housing units in Knox and Tuscarawas Counties were 37 and 41 years old, respectively. The overall median age of housing stock throughout this assessment area is 40 years old.

The distribution of owner-occupied housing and the median age of housing stock were considered in evaluating the bank's lending opportunities and performance within this assessment area. Additionally, due to the lack of low-income census tracts and the amount of distressed middle-income census tracts, lending in moderate- and middle-income census tracts was weighted in evaluating the bank's geographic distribution of lending, in this area.

Competition

There is significant competition among financial institutions within this assessment area. There are 24 FDIC-insured financial institutions operating 71 banking locations throughout Coshocton, Knox, and Tuscarawas counties. Ohio Heritage ranks seventh place in the region, holding 5.61% of the total market share of deposits. Huntington National Bank ranks first, with 16.63% of the total market share of deposits. First-Knox National Bank is second in the region, with 15.23% of the total market share of deposits.

The following table provides the demographic characteristics of this assessment area:

Combined Demographics Report

Ohio Heritage Bank

Analysis Year: 2006

Assessment Area(s): OH Non-MSA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	8,852	17.7
Moderate-income	5	12.2	5,960	11.9	752	12.6	10,074	20.1
Middle-income	31	75.6	39,581	79.0	2,700	6.8	12,620	25.2
Upper-income	5	12.2	4,540	9.1	158	3.5	18,535	37.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	41	100.0	50,081	100.0	3,610	7.2	50,081	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	10,321	5,854	11.1	56.7	3,601	34.9	866	8.4
Middle-income	59,144	42,063	79.7	71.1	12,262	20.7	4,819	8.1
Upper-income	6,548	4,847	9.2	74.0	1,357	20.7	344	5.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	76,013	52,764	100.0	69.4	17,220	22.7	6,029	7.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	980	15.9	857	15.5	98	19.6	25	16.3
Middle-income	4,726	76.5	4,229	76.6	378	75.6	119	77.8
Upper-income	471	7.6	438	7.9	24	4.8	9	5.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,177	100.0	5,524	100.0	500	100.0	153	100.0
Percentage of Total Businesses:				89.4		8.1		2.5
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	12	1.9	12	2.0	0	0.0	0	0.0
Middle-income	563	90.8	556	90.8	5	100.0	2	66.7
Upper-income	45	7.3	44	7.2	0	0.0	1	33.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	620	100.0	612	100.0	5	100.0	3	100.0
Percentage of Total Farms:				98.7		0.8		0.5

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (NON-METROPOLITAN OH ASSESSMENT AREA)

Lending in the Assessment Area

Geographic Distribution of Lending

Based on demographic characteristics unique to this assessment area and performance details of all reviewed lending products (details listed below), Ohio Heritage's geographic distribution of lending reflects an excellent dispersion of loans throughout this assessment area.

The geographic distribution of loans was analyzed in order to determine the bank's lending patterns among census tracts within this assessment area. There are no low-income census tracts, five moderate-income tracts, 31 middle-income tracts, and 5 upper-income tracts within this area.

Six of the middle-income census tracts in Coshocton County are designated as distressed areas due to unemployment. Therefore, the amount of distressed areas could affect the bank's lending in middle-income census tracts because unemployed individuals may not have sufficient income to qualify for and repay loans. Due to the lack of low-income census tracts and the amount of distressed, middle-income census tracts within this assessment area, greater weight was placed on loans originated in moderate-income census tracts. Additionally, the bank received credit for lending in distressed middle-income census tracts. In 2006, of all of the bank's lending in middle-income census tracts, 72.41% of those loans were in distressed, middle-income areas.

Home Equity Loans

Ohio Heritage originated 161 home equity loans totaling approximately \$7.01 million in this assessment area during this evaluation period. 16.77% of these loans were made in moderate-income census tracts, which exceeded the total of 13.48% of households in moderate-income census tracts. This represents an excellent level of lending in moderate-income census tracts. Lending in middle-income census tracts accounted for 69.57% of the bank's lending in this product line, which was below the total of 77.60% of households in middle-income census tracts. The bank made 13.66% of its home equity loans in upper-income census tracts, which exceeded the total of 8.92% of households in upper-income geographies.

Commercial Loans

Ohio Heritage originated 91 commercial loans in this assessment area during this evaluation period, of which 46 were secured by real estate. 27.50% of these loans were made to businesses in moderate-income geographies, which exceeded the total of 15.87% of businesses in moderate-income census tracts. This reflects an excellent distribution of small business lending in the moderate-income census tracts. Lending in middle-income census tracts accounted for 63.60% of the bank's commercial lending, which was below the total of 76.51% of businesses in middle-income census tracts. The bank made 8.90% of its business loans in upper-income census tracts,

which was above the total of 7.63% of businesses in upper-income census tracts.

Mortgage Loans

Ohio Heritage originated 61 mortgage loans totaling approximately \$6.53 million in this assessment area during this evaluation period. Of these loans, 13.11% were made in moderate-income census tracts, exceeding the total of 11.09% of owner-occupied units in moderate-income census tracts. This reflects an excellent level of mortgage lending in moderate-income geographies. Lending in middle-income census tracts accounted for 65.57% of the bank's mortgage lending, which was below the total of 79.72% of owner-occupied units in middle-income census tracts. The bank made 21.31% of its mortgage loans in upper-income census tracts, which exceeded the total of 9.19% of owner-occupied units in these geographies.

Borrower Distribution of Lending

Ohio Heritage has a reasonable penetration of lending to borrowers of different income levels and businesses of different revenue sizes.

Lending to Borrowers of Different Income Levels

Home Equity Loans

Of the 161 home equity loans originated during this evaluation period, 5.59% were made to low-income households. This was below the total of 21.53% of low-income households in this assessment area. The area's high unemployment rate could have contributed to the bank's decreased lending to low-income families. This factor was considered in evaluating the bank's performance. Therefore, the bank's lending to low-income households is considered adequate. 22.98% of these loans were made to moderate-income households. This exceeded the total of 17.86% of moderate-income households. The bank's home equity lending to moderate-income households is excellent. Loans to middle-income households represented 19.25% of the bank's home equity lending, which was below the total of 21.66% of middle-income households. The bank made 50.31% of its home equity loans to upper-income households, which was above the total of 38.94% of upper-income households. Borrower income classifications for 1.86% of the bank's home equity loans were unknown; therefore, these loans were not taken into consideration in assessing lending to borrowers of different income levels.

Mortgage Loans

Of the 62 mortgage loans originated during this evaluation period, 3.29% were made to low-income families. This was below the total of 17.68% of low-income families in the assessment area. The area's high unemployment rate could have contributed to the bank's decreased lending to low-income families. This factor was considered in evaluating the bank's performance. Therefore, the bank's lending to low-income families is considered adequate. 24.59% of these loans were made to moderate-income families. This exceeded the total of 20.12% of moderate-income families, in the assessment area. As such, the bank's lending to moderate-income families is considered excellent. Loans to middle-income families represented 34.43% of the bank's mortgage lending. This exceeded the total of 25.20% of middle-income families. The bank made 37.70% of its mortgage loans to upper-income families. This aligned with the total of 37.01% of upper-income families in this assessment area.

Lending to Businesses of Different Sizes

Ohio Heritage originated 91 commercial loans in this assessment area during this evaluation period. Businesses with annual revenues of \$1 million or less accounted for 89.43% of all businesses in this assessment area. The bank originated 100% of the bank's small business loans to businesses with annual revenues of \$1 million or less. This reflects an excellent level of lending to small businesses. Further, 65.90% of the bank's business loans (regardless of annual revenues of the business) were for loan amounts of \$100,000 or less. In addition, 26.40% were for loan amounts ranging from \$100,001 to \$250,000, and 7.70% were for loan amounts from \$250,001 to \$1,000,000.

DESCRIPTION OF COLUMBUS, OH METROPOLITAN ASSESSMENT AREA 18140
(Reviewed using the limited examination procedures)

Upon opening a banking location in Newark, Ohio, in February 2006, Ohio Heritage designated Licking County as one of its assessment areas. Licking County is a part of the Columbus, Ohio MSA.

Licking County is comprised of 31 census tracts, of which one is a low-income census tract and 10 are moderate-income census tracts. There are 15 middle-income census tracts and 5 upper-income census tracts. The Newark banking office is located in a middle-income census tract.

Population

Data released in the 2000 U.S. Census report stated that the total population of Licking County was 145,491. The most recent data available states that as of 2004, the estimated population of Licking County was 152,866, which represents an increase of approximately 4.82% since 2000.

The 2000 U.S. Census Report stated that there were 55,588 households within this assessment area. The median household income was \$44,067.00. Low-income households represented 21.94% of the total household population. Moderate-income households accounted for 17.78% of total households. Middle-income households represented 20.46% of the population. The majority of households (39.81%) in this assessment area were upper-income.

Of the 55,588 households within this assessment area, 40,258 (72.42%) were classified as families. In 2000, the median family income was \$52,136.00. Further, 19.12% of these families were low-income, 20.39% were moderate-income, 25.11% were middle-income, 35.37% were upper-income, and 5.46% of these families were below poverty level.

Economics

Manufacturing and retail trade are the primary employment sectors in Licking County. Owens-Corning and Kroger Company are two of this county's largest employers.

The local economy has experienced some decline since the previous evaluation due to large employers such as Longaberger Baskets reducing staffing and consolidating operations. However, Licking County's unemployment rates have consistently remained lower than those of counties in the bank's other assessment area. As of June 2007, Licking County's unemployment rate was 6.0%. Although this figure exceeds the national unemployment rate of 4.7%, it is comparable to the State of Ohio's unemployment rate of 6.1%. The difference in unemployment rates between Licking County and this bank's non-metropolitan assessment area could partially be attributed to Licking County's closer proximity to Columbus, Ohio (approximately 40 miles), which provides more employment opportunities for its residents.

Expanding operations to this area, which boasts higher employment rates, could offer Ohio Heritage additional lending opportunities.

Housing

The most recent data available (2000 U.S. Census report) revealed that this assessment area contained 58,760 housing units, of which 70.45% were owner-occupied. Rental units accounted for 24.19% of the housing units and 5.36% of the total housing units were vacant properties.

Within this assessment area, 0.83% of all households were located in low-income census tracts, 28.98% were located in moderate-income census tracts, 52.13% of households were in middle-income census tracts, and 18.06% were located in upper-income census tracts.

In 2000, this assessment area contained 58,760 housing units. Of the total housing units, 76.51% were one-unit properties. Two to four unit homes represented 9.72% of total housing units. Multi-family homes, mobile homes, and all other unit types comprised 7.73%, 5.97%, and 0.07%, respectively, of total housing units. It is further noted that 26.37% of all housing units within this assessment area were built prior to 1950. The median age of housing units was 32 years old.

Competition

There is significant competition among financial institutions, in this assessment area. There are nine FDIC-insured, financial institutions in Licking County. Ohio Heritage ranks ninth, among these institutions, holding 0.37% of the market share of deposits. Park National Bank ranks first with 51.57% of the market share of deposits. Huntington National Bank is second with 11.29% of the market share of deposits.

The following table provides the demographic characteristics of this assessment area:

Combined Demographics Report

Ohio Heritage Bank

Analysis Year: 2006

Assessment Area(s): Columbus MSA 18140

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	3.2	169	0.4	63	37.3	7,698	19.1
Moderate-income	10	32.3	10,830	26.9	1,110	10.2	8,210	20.4
Middle-income	15	48.4	21,418	53.2	846	3.9	10,109	25.1
Upper-income	5	16.1	7,841	19.5	181	2.3	14,241	35.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	31	100.0	40,258	100.0	2,200	5.5	40,258	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	595	78	0.2	13.1	428	71.9	89	15.0
Moderate-income	17,431	10,067	24.3	57.8	5,989	34.4	1,375	7.9
Middle-income	30,325	22,766	55.0	75.1	6,218	20.5	1,341	4.4
Upper-income	10,409	8,486	20.5	81.5	1,577	15.2	346	3.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	58,760	41,397	100.0	70.5	14,212	24.2	3,151	5.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	346	6.6	299	6.3	37	9.7	10	8.3
Moderate-income	1,256	24.1	1,147	24.3	92	24.1	17	14.0
Middle-income	2,585	49.5	2,320	49.2	192	50.3	73	60.3
Upper-income	1,032	19.8	950	20.1	61	16.0	21	17.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,219	100.0	4,716	100.0	382	100.0	121	100.0
Percentage of Total Businesses:				90.4		7.3		2.3
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	55	15.2	53	14.8	2	66.7	0	0.0
Middle-income	280	77.6	279	77.9	1	33.3	0	0.0
Upper-income	26	7.2	26	7.3	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	361	100.0	358	100.0	3	100.0	0	0.0
Percentage of Total Farms:				99.2		0.8		0.0

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA
(COLUMBUS, OH METROPOLITAN ASSESSMENT AREA 18140)**

Due to Ohio Heritage's newness to the Columbus, Ohio market, the bank's lending performance (with respect to the Community Reinvestment Act) was evaluated using the limited examination procedures.

Based on the information available, the bank's lending performance in this assessment area is below its overall lending performance because of its limited time and lending within this area.

APPENDIX A

ASSESSMENT AREA MAP

Ohio Heritage Bank
Assessment Area: Overall



