

PUBLIC DISCLOSURE

March 31, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The State Bank and Trust Company
RSSD #614313

401 South Clinton Street
Defiance, Ohio 43512

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.

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INSTITUTION’S CRA RATING

INSTITUTION'S CRA RATING: “Satisfactory”

The following table indicates the performance level of The State Bank and Trust Company with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	THE STATE BANK AND TRUST COMPANY		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

Major factors supporting the institution's rating include:

- A substantial majority of the bank's loans are made inside its assessment area;
- The geographic distribution of loans reflects an adequate penetration throughout the assessment area;
- The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different sizes;
- The bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and very small businesses, consistent with safe and sound banking practices;
- The bank has made a relatively high level of community development loans;
- The bank has an adequate level of qualified community development investments and grants; and,
- The bank has provided a relatively high level of community development services and its delivery systems are accessible to geographies and individuals of different income levels in its assessment areas.

DESCRIPTION OF INSTITUTION

The State Bank and Trust Company (State Bank) is the sole banking subsidiary of Rurban Financial Corporation (Rurban), both of which maintain their headquarters in the northwestern Ohio city of Defiance. In addition to the bank, the holding company also owns Rurbanc Data Services, Inc. (RDSI), a regional provider of data processing services to financial institutions. The bank had assets of \$541.4 million as of December 31, 2007, while the holding company had assets of \$561.2 million. The bank has 18 offices, two stand-alone full-service ATMs, and two cash-dispensing ATMs. There is also a loan production office with an ATM. Details of the locations and services provided by the bank's branches and ATMs are discussed under the service test.

On December 31, 2005, Rurban consummated its acquisition of Exchange Bancshares, Inc. and The Exchange Bank in Luckey, Ohio. The Exchange Bank continued to operate as a separate banking affiliate until March 25, 2007, when it was officially merged into State Bank. As a result of this merger, the bank added four offices located in Luckey, Perrysburg, Sylvania, and Walbridge, Ohio. The bank further expanded its market by opening an office in Fort Wayne, Indiana on January 2, 2007.

State Bank offers a variety of consumer and commercial deposit and credit products, as well as trust services. Among the products offered are fixed- and variable-rate mortgage loans, home equity loans and lines of credit, secured and unsecured consumer loans, and a range of commercial credit facilities.

Key financial data, as of December 31, 2007 is outlined in the following table:

Key Financial Information As of December 31, 2007	Dollar Amount (in thousands)
Total Assets	\$541,357
Total Deposits	\$413,170
Net Loans and Losses	\$386,307
Loans Secured by Real Estate	\$277,191
Loans Secured by 1 to 4 Family Residential Properties	\$131,363
Loans Secured by Multi-Family Residential Properties	\$12,211
Consumer Loans	\$14,186
Commercial Loans	\$82,276

State Bank is considered an intermediate small bank under Regulation BB; however, management elected to have the bank's performance evaluated using the standards generally used for large banks. The bank is subject to the Home Mortgage Disclosure Act (HMDA) and has submitted Community Reinvestment Act (CRA) loan data to the Board of Governors each year. The bank became subject to the Section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act as a result of its opening a branch in Indiana.

DESCRIPTION OF ASSESSMENT AREAS

The bank has the following four assessment areas:

Non-Metropolitan Ohio Assessment Area

- Defiance County
- Henry County
- Paulding County
- Putnam County
- Williams County

Toledo, Ohio MSA 45780

- Fulton County
- Lucas County
- Wood County
- Two tracts in southern Lenawee County, Michigan adjacent to Fulton County

Lima, Ohio MSA 30620

- Allen County

Fort Wayne, Indiana MSA 23060

- Allen County

The bank's assessment areas comply with CRA requirements and do not arbitrarily exclude low- or moderate-income census tracts. The bank's asset size and financial condition indicate that it has the ability to effectively meet the credit needs of its assessment area. There are no legal or other impediments that would hamper the bank's ability to meet community credit needs.

Detailed demographic information regarding the respective assessment areas is provided in the sections relating to the specific assessment areas.

Combined Demographics Report

State Bank and Trust Company

Analysis Year: 2006 & 2007

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	22	6.7	9,819	3.1	3,478	35.4	59,344	18.5
Moderate-income	76	23.3	54,647	17.0	10,527	19.3	57,983	18.1
Middle-income	164	50.3	172,243	53.7	8,833	5.1	74,876	23.3
Upper-income	63	19.3	84,126	26.2	2,191	2.6	128,632	40.1
Unknown-income	1	0.3	0	0.0	0	0.0	0	0.0
Total Assessment Area	326	100.0	320,835	100.0	25,029	7.8	320,835	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	19,289	6,034	1.8	31.3	10,001	51.8	3,254	16.9
Moderate-income	103,976	49,506	14.7	47.6	43,277	41.6	11,193	10.8
Middle-income	272,424	187,910	55.9	69.0	69,694	25.6	14,820	5.4
Upper-income	115,518	92,580	27.6	80.1	17,919	15.5	5,019	4.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	511,207	336,030	100.0	65.7	140,891	27.6	34,286	6.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1,312	3.2	1,124	3.2	149	3.4	39	3.4
Moderate-income	6,481	15.9	5,507	15.7	818	18.8	156	13.7
Middle-income	21,330	52.5	18,378	52.3	2,285	52.4	667	58.8
Upper-income	11,504	28.3	10,124	28.8	1,107	25.4	273	24.1
Unknown-income	8	0.0	7	0.0	1	0.0	0	0.0
Total Assessment Area	40,635	100.0	35,140	100.0	4,360	100.0	1,135	100.0
Percentage of Total Businesses:			86.5		10.7		2.8	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	3	0.1	3	0.1	0	0.0	0	0.0
Moderate-income	18	0.6	17	0.6	1	4.0	0	0.0
Middle-income	2,162	77.2	2,140	77.2	21	84.0	1	100.0
Upper-income	616	22.0	613	22.1	3	12.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,799	100.0	2,773	100.0	25	100.0	1	100.0
Percentage of Total Farms:			99.1		0.9		0.0	

SCOPE OF EXAMINATION

State Bank's performance under the Community Reinvestment Act was evaluated for the period of January 30, 2006 through March 31, 2008. Full-scope reviews were conducted of all assessment areas for State Bank.

The lending analysis was based on loan data from January 1, 2006 through December 31, 2007. The loan products considered in this evaluation included HMDA-reportable (only purchase and refinance, since there were insufficient home improvements to conduct a meaningful analysis), small business and farm, and consumer loans (home equity, motor vehicle, other secured, and other unsecured loans). HMDA loans received the most weight due to the high dollar amount of the total loans; however, it was necessary to combine HMDA and consumer loans in certain assessment areas due to the limited volume of HMDA-reportable loans. Specifically, the HMDA and consumer loans were combined in MSA 23060 because the bank had only been in the Fort Wayne, Indiana area since January 2007 and Regulation BB requires a full-scope analysis be performed for each state in which the bank has branches.

State Bank's lending activity was evaluated to determine the extent to which loans were originated inside and outside the bank's assessment area. In addition, loans inside the assessment area were evaluated to determine the geographic distribution and distribution based on the borrower's income or gross annual revenues for small businesses. The borrower-income distribution was given greater weight than the geographic distribution due to the fact that low- and moderate-income individuals can live in any geography and there are more middle- and upper-income tracts in the assessment area. The level and the extent of the bank's involvement in community development lending was also reviewed.

The borrower income distribution with respect to HMDA 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. In drawing conclusions regarding the borrower-income distribution of loans, poverty level was taken into consideration as part of the performance context. Because it is difficult for borrowers with an income at or below the poverty level to qualify for loans due to their limited sources of funding, it becomes more difficult for the bank to extend credit to those individuals who generally reside in low- and moderate-income areas. Within the bank's assessment areas, 10.6% of the families are below the poverty level.

The bank's borrower income distribution with respect to consumer loans was assessed by comparing the percentage of loans made to borrowers in each income category to the percentage of total households in each income category. The distribution of small business and small farm loans based on the gross annual revenues was evaluated by comparing the percentage of loans made to small businesses and small farms with gross annual revenues of \$1 million or less to the percentage of total businesses and farms within the respective assessment areas with gross annual revenues of \$1 million or less.

The geographic distribution with respect to HMDA loans was assessed by comparing the percentage of loans made in each geography type (low-, moderate-, middle-, and upper-income) to the percentage of owner-occupied units in each geography type. The geographic distribution for consumer loans was assessed by comparing the percentage of loans made by each geography type compared to the percentage of total households per tract. Small business and small farm loans were compared to the percentage of businesses and farms within each geographic income category, regardless of the revenue size of the business. However, small farm loans were only reviewed for the non-metropolitan assessment area because agricultural lending occurs only in the non-metropolitan areas. Census tract demographic information was based on the results of the 2000 Census.

In addition to the demographic proxies noted above, the bank’s lending performance was also compared to the 2006 aggregate performance of all lenders required to report HMDA and CRA data within the respective assessment areas. The bank’s lending market share was reviewed in each assessment area to gain a better understanding of State Bank’s ranking as a lender in each assessment area. More weight was placed on comparing State Bank’s lending performance to the proxies derived from the demographic data.

Community development loans and investments funded by the bank since the previous examination were reviewed for the lending and investment tests. Community development services in which the bank has been involved with since the previous examination were evaluated for the service test.

The bank’s performance in non-metropolitan Ohio was given greater weight than any of the other assessment areas because it is larger and contains the highest percentage of branches and originated the largest number of loans. The bank’s main office is located in this assessment area and of the 18 offices located throughout the bank’s assessment area eight are located in non-metropolitan Ohio. The following are the rest of the assessment areas in order of their weight: the Lima MSA, the Toledo MSA, and the Fort Wayne MSA.

The branch, deposit, and lending distributions for the bank’s assessment areas are as follows:

Assessment Area	Number of Offices	Percent of Offices	Deposit Share	Loan Share
Non-metropolitan OH	8	44.4%	55.8%	59.7%
MSA 30620	2	11.1%	13.4%	14.2%
MSA 45780	7	38.9%	30.3%	23.9%
MSA 23060	1	5.6%	0.50%	2.2%
Totals	18	100%	100%	100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The overall Lending Test rating is “High Satisfactory.”

Lending Activity

Given the number and dollar amounts of home mortgage, small business and consumer loans originated in the assessment area, State Bank demonstrates a good responsiveness to local credit needs. State Bank operates in a very competitive market, where it ranks 58th out of 522 institutions for HMDA loan originations and 19th out of 83 institutions for small business loans.

Assessment Area Concentration

As noted in the table below, a substantial majority of State Bank’s loans were made within the assessment areas. By dollar volume, lending within the assessment areas is somewhat lower; however, a high majority of loans are still within the assessment areas.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside the Assessment Area				Outside the Assessment Area			
	# of Loans	%	\$ (000s)	%	# of Loans	%	\$ (000s)	%
Home Purchase - Conventional	215	82.7	23,503	71.6	45	17.3	9,318	28.4
Refinancing	233	86.6	29,478	85.6	36	13.4	4,952	14.4
Total HMDA related	448	84.7	52,981	78.8	81	15.3	14,270	21.2
Small Business	443	90.6	54,334	84.5	46	9.4	9,942	15.5
Small Business - Secured by RE	55	93.2	6,453	95.1	4	6.8	335	4.9
Total Small Business related	498	90.9	60,787	85.5	50	9.1	10,277	14.5
Small Farm	239	95.2	16,771	95.2	12	4.8	853	4.8
Total Small Farm related	239	95.2	16,771	95.2	12	4.8	853	4.8
Home Equity	663	95.8	27,603	95.9	29	4.2	1,166	4.1
Motor Vehicle	615	89.8	7,402	90.2	70	10.2	803	9.8
Other - Secured	219	95.6	2,308	92.5	10	4.4	188	7.5
Other - Unsecured	81	94.2	430	94.9	5	5.8	23	5.1
Total Consumer related	1,578	93.3	37,743	94.5	114	6.7	2,180	5.5
Total Loans	2,763	91.5	168,282	85.9	257	8.5	27,580	14.1

Geographic Distribution

The geographic distribution of HMDA, consumer, and small business loans was considered adequate; however, the Toledo MSA 45780 had substantial lending gaps in certain segments of the assessment area. The reason for the gaps can be attributed to the bank's branch distribution resulting from the merger of The Exchange Bank and State Bank. The branches from The Exchange Bank were located in the suburbs of Toledo in middle- and upper-income tracts. The positioning of the branches and competition in Toledo makes it difficult for State Bank to reach all portions of this assessment area. Significant gaps were also noted in lending to low- and moderate-income tracts in the Fort Wayne MSA 23060 assessment area, but is understandable given that State Bank has only one branch in the Fort Wayne area and has only operated in that area since January 2, 2007. Non-metropolitan Ohio consists of only middle- and upper-income tracts; therefore, while the bank did not have any significant lending gaps in this assessment area, non-metropolitan Ohio will not be weighted as heavily as the bank's other assessment areas that include low- and moderate-income tracts.

Borrower Distribution

The distribution of loans based on the income level of the borrowers or the gross annual revenues of the business or farm was good. In each of the assessment areas, the distribution of HMDA loans was considered good. In the Toledo MSA 45780, the non-metropolitan Ohio, and the Fort Wayne MSA 23060, the distribution of consumer loans was excellent. The distribution of loans to small farms in non-metropolitan Ohio was also excellent. Within the Lima MSA 30620 and Fort Wayne MSA 23060, the distribution of loans to small businesses was excellent.

Community Development Lending

The bank made an adequate level of community development loans in its assessment area. Over the evaluation period, the bank originated three community development loans totaling \$5.52 million. Two of the loans provided jobs to low- and moderate-income individuals and the other loan provided affordable housing to low- and moderate-income individuals. Of the total community development loan dollars, 45.3% supported the non-metropolitan Ohio assessment area and 54.7% supported the Fort Wayne assessment area.

Investment Test

Performance under the Investment Test is rated "Low Satisfactory."

State Bank has an adequate level of qualified investments and donations that adequately respond to credit and community development needs. Bank investments total \$1,038,629 for the evaluation period. The investments support affordable housing, services to low- and moderate-income individuals, and economic development.

In addition, the bank has an investment in one State of Ohio revenue bond, which was recognized in a previous examination, with an unamortized balance of \$40,000. The unamortized balance of the bond is allocated to each assessment area in the state of Ohio by deposit share.

Service Test

Performance under the Service Test is rated “High Satisfactory.”

Retail Services

Retail delivery systems are accessible to the bank’s geographies and individuals of different income levels in its assessment area. As stated previously, State Bank merged with The Exchange Bank, which resulted in four additional branches to its branching network. The branches are located in the suburbs of Toledo in middle- and upper-income tracts and the positioning of the branches and competition in Toledo makes it difficult for State Bank to reach all portions of this assessment area. The bank operates 18 branches, two stand-alone full-service ATMs, and two cash-dispensing ATMs. There is also a loan production office with an ATM. Banking services do not vary in a way that inconveniences certain portions of the bank’s assessment areas. The bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.

The bank is now offering Individual Development Accounts (IDAs) for low- and moderate-income individuals through the Northwestern Ohio Community Action Commission. IDAs are matched savings accounts designed to help participants achieve long-term goals of home ownership, education, or business start up. For each dollar the participant saves in the account, two dollars is contributed by participating institutions/agencies.

Community Development Services

During the evaluation period, the bank provided a relatively high level of community development services within its assessment area. The bank provided 17 services to 16 unique community development organizations. In addition, the bank hosted 12 financial seminars during the evaluation period.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

STATE OF OHIO

CRA Rating for Ohio: “Satisfactory”

Lending Test Rating: “High Satisfactory”

Investment Test Rating: “Low Satisfactory”

Service Test Rating: “High Satisfactory”

Major factors supporting the institution’s rating include:

- Lending levels reflect a good responsiveness to assessment area credit needs;
- The geographic distribution of loans reflects a good penetration throughout the assessment area;
- The distribution of borrowers reflect a good penetration among customers of different income levels and businesses of different sizes;
- The bank made a relatively high number of community development loans;
- The bank has an adequate level of qualified community development investments and donations;
- Delivery systems are accessible to all portions of the bank’s assessment areas;
- The record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly low- and moderate-income geographies and/or low- or moderate-income individuals; and,
- The bank provided a relatively high level of community development services within the evaluation period

SCOPE OF EXAMINATION

The scope of the examination for the state of Ohio is consistent with the scope of the examination for the institution. All three assessment areas within the state received full-scope reviews.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE STATE OF OHIO

As noted previously, State Bank’s operations in the State of Ohio, are comprised of three assessment areas: the Toledo, Ohio MSA 45780, the Lima, Ohio MSA 30620, and the non-metropolitan counties in northwestern Ohio. In the state of Ohio, the bank operates 17 offices, two cash-only ATMs, and two full-service ATMs. One office is in a moderate-income tract, thirteen offices are located in middle-income tracts, and three offices are located in upper-income areas. Ohio’s assessment area consists of 234 census tracts: 19 low-income tracts, 47 moderate-income tracts, 119 middle-income tracts, and 49 upper-income tracts.

On December 31, 2005, Rurban acquired Exchange Bancshares, but allowed the Exchange Bank subsidiary to operate as a separate facility. The acquisition resulted in four new offices in Luckey, Perrysburg, Sylvania, and Walbridge, all of which are located in close proximity to Toledo, Ohio. The Exchange Bank in Luckey, Ohio was officially merged into the bank on March 25, 2007.

Combined Demographics Report

State Bank and Trust Company

Analysis Year: 2006 & 2007

Assessment Group(s): All OH

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	19	8.1	8,529	3.7	3,047	35.7	43,361	18.7
Moderate-income	47	20.1	34,229	14.8	7,053	20.6	41,365	17.8
Middle-income	119	50.9	127,532	55.0	7,159	5.6	53,456	23.0
Upper-income	49	20.9	61,693	26.6	1,876	3.0	93,801	40.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	234	100.0	231,983	100.0	19,135	8.2	231,983	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	16,751	5,210	2.2	31.1	8,950	53.4	2,591	15.5
Moderate-income	64,405	30,629	12.6	47.6	26,981	41.9	6,795	10.6
Middle-income	200,978	138,656	57.2	69.0	51,586	25.7	10,736	5.3
Upper-income	87,103	67,810	28.0	77.9	15,474	17.8	3,819	4.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	369,237	242,305	100.0	65.6	102,991	27.9	23,941	6.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1,136	4.0	973	4.0	126	4.2	37	4.2
Moderate-income	3,194	11.2	2,737	11.1	373	12.3	84	9.5
Middle-income	15,582	54.6	13,400	54.4	1,639	54.2	543	61.6
Upper-income	8,618	30.2	7,517	30.5	884	29.3	217	24.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	28,530	100.0	24,627	100.0	3,022	100.0	881	100.0
Percentage of Total Businesses:			86.3		10.6		3.1	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	2	0.1	2	0.1	0	0.0	0	0.0
Moderate-income	11	0.5	10	0.4	1	4.2	0	0.0
Middle-income	1,760	75.7	1,739	75.6	20	83.3	1	100.0
Upper-income	551	23.7	548	23.8	3	12.5	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,324	100.0	2,299	100.0	24	100.0	1	100.0
Percentage of Total Farms:			98.9		1.0		0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF OHIO

Lending Test

State Bank was rated “High Satisfactory” on the lending test for the state of Ohio. State Bank had an adequate responsiveness to the credit needs of the community. The bank’s lending to borrowers of different income levels, especially to low- and moderate-income borrowers was good. The bank’s lending in its assessment area, especially in low- and moderate-income census tracts was considered adequate. The bank originated one community development loan in the state of Ohio.

Lending Activity

State Bank adequately responded to the credit needs of the community in the state of Ohio. Specifically, the bank has a good responsiveness to credit needs in the non-metropolitan Ohio assessment area and an adequate responsiveness in the Lima MSA 30620 and Toledo MSA 45780 assessment areas. During the review period, the bank originated 2,701 loans in the state of Ohio, which is 97.8% of the bank’s lending.

Geographic Distribution

The geographic distribution of loans is considered adequate; however, substantial lending gaps were noted in the Toledo MSA 45780. The lending gaps were a result of the distribution of The Exchange Bank’s branches located in the suburbs of Toledo in middle- and upper-income tracts; the location of these branches makes it difficult to attract customers from low- and moderate-income (LMI) tracts. Also, there is a significant amount of competition in the Toledo MSA 45780. According to the HMDA Market Report for 2006, State Bank ranked 84th out of 391 HMDA reporters in the Toledo MSA.

The geographic distribution for the Lima MSA 30620 is also adequate. Lending gaps for the Lima MSA are present; however, the gaps were not substantial. For the years 2006 through 2007, the bank did not penetrate one low-income tract out of two total tracts (50.0%), three moderate-income tracts out of eleven tracts (27.3%), and one upper-income tract out of six total tracts (16.7%). According to statistics provided from the 2000 U.S. Census, in low-and moderate-income tracts, the unemployment rate is 17.9% and 9.9% compared to the unemployment rates in middle- and upper-income geographies at 4.3% and 3.3%. The higher unemployment rates in the LMI tracts would have an impact on the bank’s ability to lend. In addition, there is a substantial amount of competition and State Bank ranks 17th in lending share out of 194 HMDA reportable institutions.

Non-metropolitan Ohio consists of only middle- and upper-income tracts. While the bank did not have any significant lending gaps in this assessment area, non-metropolitan Ohio will not be weighted as heavily as the bank’s other assessment areas that include low- and moderate-income geographies.

Borrower Distribution

The distribution of loans based on the income level of the borrowers or the gross annual revenues of the business or farm is good for the state of Ohio. In each of the assessment areas, the distribution of HMDA loans is considered good. In MSA 45780 and non-metropolitan Ohio, the distribution of consumer loans to borrowers of different income levels is excellent. Lending to small farms is excellent in non-metropolitan Ohio, which is the only assessment area in which State Bank originates farm loans. Lastly, the distribution of small business loans is good overall and lending to small businesses in the Lima MSA 30620 is excellent.

Community Development Loans

During the evaluation period, State Bank originated one community development loan in the amount of \$2.5 million dollars. The loan created 25 jobs for low- and moderate-income individuals.

Investment Test

State Bank's Investment Test rating for the state of Ohio is "Low Satisfactory." The bank provides an adequate level of qualified investments, reflecting an adequate responsiveness to the area's community development needs. For the evaluation period, the bank made \$543,899.00 in qualified investments. The investments are for various community development purposes, such as economic development, scholarships to low- and moderate-income individuals, affordable housing for low- and moderate-income individuals, and revitalization efforts in downtown Defiance for improving small business facilities. In addition, State Bank has an unamortized balance of \$40,000 on a revenue bond that was originated in a previous evaluation period. The remaining balance is allocated to the assessment areas in the state of Ohio by deposit share.

Service Test

State Bank is rated "High Satisfactory" on the service test for the state of Ohio.

Retail Services

Overall, the bank's delivery systems are accessible to geographies and individuals of different income levels in its assessment areas. While the bank has closed one branch in Defiance County and one cash-dispensing ATM in the Toledo MSA 45780 assessment area, the closings did not adversely affect the accessibility of its delivery systems, especially in low- and moderate-income geographies and to low- and moderate-income individuals. In addition, the bank's delivery systems do not vary in a way that inconveniences its assessment areas, particularly to low- and moderate-income geographies and low- and moderate-income individuals.

As noted previously, the bank is now offering IDA for LMI individuals through the Northwestern Ohio Community Action Commission. IDAs are matched savings accounts designed to help participants achieve long-term goals of home ownership, education, or business start-up. Dollars saved by participants are matched with two dollars from contributing institutions/agencies.

Community Development Services

The bank provides a relatively high level of community development services. The bank provided 17 services to 16 unique community development organizations. In addition, the bank hosted 12 financial seminars during the evaluation period.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE TOLEDO, OHIO MSA 45780

The Toledo Ohio MSA 45780 assessment area includes all of Wood, Lucas, and Fulton Counties and a portion of Lenawee County, Michigan that is adjacent to Fulton County. Within Lenawee County, only two census tracts are designated as the bank's assessment area. As noted previously, State Bank branches are located in the Toledo suburbs and are a very competitive market. The bank's branches are located in the suburbs of Toledo, with five branches located in middle-income tracts and two branches in upper-income tracts. State Bank's assessment area is made up of 165 census tracts, of which 17 are low-income tracts, 36 moderate-income tracts, 79 middle-income tracts, and 33 upper-income tracts. One tract in Lenawee County, Michigan is classified as distressed due to high unemployment.

Population Characteristics

According to the 2000 U.S. Census, of the assessment area's population, 25.9% are age 17 and younger, 11.1% are age 18 to 24, 50.3% are age 25 to 64, and 12.6% are age 65 and over. The city of Toledo is the county seat of Lucas County, the most populous of the three counties. According to the Ohio Department of Development, the population of the city of Toledo, as of 2006, was 298,446 people. From the years 2000 through 2006, the population of Lucas County has decreased by 2.1%. The second-largest city in the assessment area is the city of Bowling Green located in Wood County. According to the Ohio Department of Development,¹ the population of Wood County for the years 2000 through 2006 increased by 2.6%. The largest city in Fulton County is Wauseon City, which has a population of 7,335 people in 2006. The population in Fulton County has increased by 1.9% from the years 2000 to 2006.

Income Characteristics

Based on the 2000 U.S. Census, the median family income for the bank's assessment area was \$50,258, which is slightly higher than the state of Ohio at \$50,037 and slightly less than the entire Toledo MSA at \$50,408.

¹ www.odod.state.oh.us

As of 2000, there were 246,389 households in the assessment area, of which 160,908 (65.3%) were designated as families. Of the households designated as families, 20.4% were low-income, 18.0% were moderate-income, 22.5% were middle-income, and 39.1% were upper-income. Of these, 14,506 (9.0%) families had incomes below the poverty level. Since the majority of the families in the assessment area are considered middle- and upper-income families, the majority of lending would be expected in these categories. Within Lucas County, one low-income tract and two moderate-income tracts have fewer than 30 families residing within the tracts, limiting lending opportunities within those three tracts.

Housing Characteristics

According to the 2000 U.S. Census, there are 263,024 housing units in the assessment area, of which 79.3% are one-to-four family units, 16.1% are five or more units, 4.6% are mobile homes, and 0.1% classified as other units. Additionally, 63.2% of the housing units are owner-occupied, 30.5% rental units, and 6.3% vacant. The median age of the housing stock is 42 years for the entire assessment area. The median age of housing stock for the counties of Fulton, Lucas, Wood, and Lenawee is 37, 43, 29, and 41 years, respectively. U.S. Census data indicated that the median housing value is \$93,523 in the assessment area. According to the data, the affordability ratio for the entire assessment area is 41%; the affordability ratios are 42% for Fulton and Lucas Counties, 39% for Wood County and 41% for Lenawee County. The median gross rent for the assessment area is \$488.

The 2000 U.S. Census data revealed that 15,273 units are located in low-income tracts, 52,154 in moderate-income tracts, 134,712 in middle-income tracts, and 60,885 are located in upper-income tracts. In addition, the campus of Bowling Green State University is located in a low-income tract that also limits the institution's ability to lend in these tracts. As a result, a substantial amount of the bank's mortgage lending would be expected in middle- and upper-income census tracts.

According to an article in [KnowledgePlex](http://www.knowledgeplex.org)² by John Chavez entitled *2007 Foreclosures Shoot Up in Northwest Ohio*, the northwestern Ohio real-estate market has been hit hard by unemployment. For the year 2007, the Metro-Toledo area foreclosure rate has increased by 110 percent. The high amount of foreclosures has an impact on the neighborhoods in the Metro-Toledo area, specifically in decreasing housing values. This information was taken into account within the lending test.

2 www.knowledgeplex.org

Economic Characteristics

According to the Ohio Department of Development,³ for Wood County, manufacturing, state and local government, retail trade, and accommodation and food services are the largest industries based on average annual employment for 2005. Retail trade and food services provide a large number of jobs, however, these are generally low-paying jobs without benefits. The average wage for the largest industries are \$49,432 for manufacturing jobs, \$19,212 for retail trade, \$9,929 for accommodation and food services, and \$38,772 for state and local government. In Wood County, some of the largest employers are Bowling Green State University, Chrysler LLC, and First Solar, Inc.

For Lucas County, the industries providing the highest employment are health care and social assistance, manufacturing, state and local government, retail trade, and accommodation and food services. However, according to the Ohio Department of Development, the average wages for these industries are: health care and social assistance \$38,515; manufacturing \$58,491; retail trade \$22,225; accommodation and food services \$11,109; and state and local government \$42,703. In Lucas County, some of the largest employers are Andersons, Inc., Carlyle Group HCR Manor Care, Chrysler LLC, and General Motors Corp.

The largest industries for Fulton County based on average annual employment for 2005 are manufacturing, retail trade, state and local government, accommodation and food services, and construction. The average wage for the largest industries in the county is: manufacturing \$38,712, retail trade \$19,230, state and local government \$31,534, accommodation and food services \$8,117 and construction \$39,809. In Fulton County, some of the largest employers are Dana Corp., ITT Industries Inc, North Star BlueScope Steel LLC, TRW Automotive, Sauder Woodworking Co., and Fulton County Health Center.

Within Lenawee County, Michigan, there are two distressed middle-income tracts due to unemployment. According to two articles posted on the Lenawee County Chamber of Commerce, during the 1950s and 1960s, the county was a booming manufacturing area, which led individuals to determine that higher levels of education were not needed. As the manufacturing industries have decreased, individuals in the community continue to have the same mindset regarding education and skill levels as those who lived in the 1950s and 1960s. According to Charles L. Ballard, a professor in the Department of Economics at Michigan State University,⁴ “One of the biggest challenges facing the Michigan economy is we’re sort of behind the curve in the attitude toward the skill levels that we’ll have to have,” to be successful.

3 www.odod.state.oh.us

4 www.lenaweechamber.com/March2008Articles.pdf

Manufacturing jobs declined steadily from the years 2000 through 2007, as manufacturers cut 3,200 jobs in Lenawee County, which is 32.4% loss in jobs for the County. Lenawee County is primarily an agricultural area and boasts some of the finest agricultural land in Michigan. According the website ref.michigan.org, Lenawee County's major industries are manufacturing, government, retail trade, construction, and farming.

According to the Ohio Department of Job and Family Services,⁵ the annual average unemployment rates for 2007 were as follows: Fulton County 6.3%, Wood County 5.4%, and Lucas County 6.7%. The U.S. unadjusted unemployment rate was 4.6% and the state of Ohio's unadjusted unemployment rate was 5.6%. According to the Ohio Department of Job and Family Services for the year 2007, Lucas County had the 18th highest unemployment rate in the state, Fulton County was 29th, and Wood County was 60th. For the month of March 2008, Fulton County's unemployment rate was 8.2%, Lucas County was 7.3%, and Wood County was 5.9%. The unemployment rate for Lenawee County was 7.2%, which was above the United States' unemployment rate of 4.6% and equaled to the state of Michigan's unemployment rate of 7.2%.

According to an article entitled *MarketView Toledo Industrial*⁶ by a CBRE Licensed Real Estate Broker, the industrial real estate market in Northwest Ohio experienced a period of mixed results in the second half of 2007. New construction in this area is at a relatively high level, although most of the construction is attributable to the expansion of the new FedEx hub in Perrysburg and the GM Powertrain facility in the North Toledo market. According to this article, GM is adding capacity to meet the demand for transmissions that will be produced at this plant. This could have an impact on employment rates in MSA 45780.

The demographic table that follows illustrates the bank's assessment area.

5 www.lmi.state.oh.us

6 Toledo.oh.gov

Combined Demographics Report

State Bank and Trust

Analysis Year: 2006 & 2007

Assessment Area(s): MSA 45780 & NonMSA MI

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	17	10.3	7,911	4.9	2,822	35.7	32,813	20.4
Moderate-income	36	21.8	27,652	17.2	5,640	20.4	28,953	18.0
Middle-income	79	47.9	82,761	51.4	4,837	5.8	36,191	22.5
Upper-income	33	20.0	42,584	26.5	1,207	2.8	62,951	39.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	165	100.0	160,908	100.0	14,506	9.0	160,908	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	15,273	4,846	2.9	31.7	8,178	53.5	2,249	14.7
Moderate-income	52,154	24,779	14.9	47.5	22,206	42.6	5,169	9.9
Middle-income	134,712	89,733	54.0	66.6	38,407	28.5	6,572	4.9
Upper-income	60,885	46,752	28.1	76.8	11,478	18.9	2,655	4.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	263,024	166,110	100.0	63.2	80,269	30.5	16,645	6.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	825	4.1	703	4.1	95	4.3	27	4.4
Moderate-income	2,442	12.1	2,096	12.1	272	12.4	74	12.2
Middle-income	10,440	51.9	8,935	51.6	1,146	52.3	359	59.1
Upper-income	6,413	31.9	5,587	32.3	679	31.0	147	24.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20,120	100.0	17,321	100.0	2,192	100.0	607	100.0
Percentage of Total Businesses:			86.1		10.9		3.0	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	2	0.2	2	0.2	0	0.0	0	0.0
Moderate-income	9	1.1	8	1.0	1	7.7	0	0.0
Middle-income	716	84.1	705	84.1	11	84.6	0	0.0
Upper-income	124	14.6	123	14.7	1	7.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	851	100.0	838	100.0	13	100.0	0	0.0
Percentage of Total Farms:			98.5		1.5		0.0	

There is a significant amount of competition throughout the bank's assessment area. There are 20 FDIC-insured financial institutions operating 195 offices within the three counties. According to the FDIC's Deposit Market Share Report statistics as of June 30, 2007, State Bank ranked tenth with 1.5% of the market share of deposits within the three counties. As of the same date, Fifth Third Bank ranked first, Key Bank National Association ranked second, Sky Bank ranked third, Huntington National Bank ranked fourth, and National City Bank ranked fifth. However, since June 30, 2007, Sky Bank was merged into Huntington National Bank.

For Lenawee County in Michigan, State Bank was not listed in the Deposit Market Share Report published by the FDIC, due to the fact that they do not have any offices in that county, but the major competitors for State Bank are as follows: United Bank and Trust, Bank of Lenawee, KeyBank National Association, LaSalle Bank Midwest National Association, Blissfield State Bank, Comerica Bank, OSB Community Bank, and Hillsdale County National Bank.

Community Contacts

A community contact was conducted with a member of a non-profit organization that provides jobs to individuals and employers within the bank's assessment area. The individual interviewed indicated that financial institutions can make a huge impact on the area by providing financing for economic development purposes.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE TOLEDO, OHIO MSA

Lending Test

For the Toledo, Ohio MSA 45780, State Bank's performance on the lending test is good. As noted previously, the Exchange Bank acquisition resulted in branch locations are not suitable to penetrating low-and moderate-income areas. The high level of competition in and around Toledo also makes it difficult to penetrate certain low-income communities. However, lending to low- and moderate-income borrowers and small businesses is considered excellent. The bank did not make any community development loans in this assessment area. The borrower distribution is given more weight in this test because of the location of the bank's branches, which are in the suburbs of Toledo, and because borrowers of different income levels can live any geography.

Lending Activity

Lending levels reflect an adequate responsiveness to the credit needs throughout the assessment area. According the FDIC's Deposit Share Summary Report, State Bank's deposit share is only 1.5% in the assessment area (State Bank is not ranked in Michigan, since it does not have any offices in the state). In addition, State Bank ranks 84th out of 391 institutions in lending share for originations of HMDA loans and 26th out of 61 institutions for originations of CRA loans.

Geographic Distribution

Generally, the geographic distribution of HMDA, small business, and consumer loans is considered poor; however, when the branch distribution and other matters related to performance context are considered, the overall geographic distribution was considered adequate.

There are lending gaps in this assessment area. In both 2006 and 2007, State Bank made no loans within the low- or moderate-income tracts in this assessment area. In addition, the bank did not lend in 53 middle-income tracts (67.1%) out of 79 tracts, and 28 upper-income tracts (84.8%) out of 33 tracts. In 2007, the bank again did not lend in 100% of the assessment area's low-income tracts and 26 moderate-income tracts (72.2%) out of 36 moderate income tracts. In addition, the bank did not lend in 30 middle-income tracts (37.9%) out of 79 tracts and 7 upper-income tracts (21.2%) out of 33 tracts. While the bank did not lend in much of the low- and moderate-income tracts, the bank did lend in two distressed tracts in Lenawee County, Michigan: in 2006, the bank originated a total of 22 loans and in 2007, it originated a total of 21 loans in these distressed tracts.

While the lending gaps appear to be substantial for both years, the reason for the lending gaps is primarily attributed to the bank's branch distribution in the Toledo MSA resulting from the merger of The Exchange Bank in March 2007. The location of the branches makes it difficult to lend in the low- and moderate-income census tracts. The bank's strategy is to better penetrate these areas through various products, including home equity products, indirect and direct motor vehicle loans, and small business loans. Also, as noted previously, one low-income and moderate-income tracts have fewer than 30 families residing within them, limiting lending opportunities within those tracts.

HMDA Loans

Home Purchase

State Bank made no home purchase loans in low-income tracts, although the opportunity exists as 2.9% of the housing in the area is owner-occupied. The aggregate of all HMDA lenders made 2.0% of their home purchase loans in low-income tracts. Therefore, the geographic distribution of home purchase loans in low-income tracts is poor.

The bank originated two home purchase loans (3.1%) in moderate-income tracts, which is significantly less than the percentage of owner-occupied units in these tracts at 14.9% and the aggregate of all lenders at 14.2%. Thus, the geographic distribution of home purchase loans to moderate-income tracts is also poor.

State Bank made 76.1% of its home purchase loans in middle-income tracts and 20.9% of its home purchase loans in upper-income tracts, compared to the percentage of owner-occupied units in these tracts at 54.0% and 28.1%. The aggregate of all HMDA lenders made 50.7% and 33.1% of their loans in middle- and upper-income tracts. In addition, it is noted that State Bank originated two home purchase loans in two middle-income tracts in Lenawee County. These tracts are considered distressed.

Refinance

State Bank made no refinance loans in low-income tracts compared to the percentage of owner-occupied units in these tracts. The aggregate of all HMDA lenders made 2.5% of its refinance loans in low-income tracts. Thus, the geographic distribution for refinance loans in low-income tracts is considered poor.

The bank originated five loans (7.8%) in moderate-income tracts, which is less than the proxy. The aggregate of all HMDA lenders made more loans (15.0%) in moderate-income geographies than the bank. Therefore, the geographic distribution for refinance loans in moderate-income tract is considered adequate.

State Bank made 82.8% and 9.4% of its loans in middle- and upper-income geographies, compared to the proxy at 54.0% and 28.1%, respectively. The aggregate of all HMDA lenders made 54.6% and 28.0% of their refinance loans to middle- and upper-income geographies.

Consumer Loans

Because the collection of data on consumer loans is optional for banks evaluated under large bank examination procedures, aggregate and market share data is not available for these loan products. Unsecured consumer loans were not reviewed, due to the limited amount of loans originated during the evaluation period.

Home Equity

State Bank originated no home equity loans in low-income tracts; therefore, the bank's lending in low-income tracts is considered poor.

The bank originated one home equity loan (0.5%) in moderate-income tracts, which was less than the proxy at 19.1%. Thus, the bank's lending in moderate-income geographies is considered poor.

The bank originated 86.5% and 13.0% of its home equity loans to middle- and upper-income geographies, compared to the proxy at 52.1% and 23.7%. Furthermore, the bank originated nine loans in middle-income tracts in Lenawee County that are classified as distressed census tracts.

Motor Vehicle

State Bank originated no motor vehicle loans in low- or moderate-income tracts, compared to the percentage of total households in low-income tracts at 5.3% and 19.1%. Therefore, the bank's lending in both low- and moderate income tracts for motor vehicle loans is considered poor.

State Bank originated 94.7% and 5.3% of its motor vehicle loans in middle-and upper-income tracts, compared to the proxy at 52.1% and 23.7%. In addition, the bank originated three motor vehicle loans in middle-income tracts in Lenawee County that are classified as distressed census tracts.

Other Secured

The bank originated no other secured loans in low-income tracts. Therefore, the bank's lending in low-income tracts for this type of loan is considered poor.

State Bank made three loans (5.5%) to moderate-income tracts, but was still less than the proxy at 19.1%. Therefore, the bank's lending in moderate-income tracts is poor.

The bank's lending in middle- and upper-income geographies was 83.6% and 10.9%, compared to the proxy at 52.1% and 23.7%. In addition, the bank originated five loans in the distressed middle-income tracts in Lenawee County.

Small Business Loans

The bank made no small business loans in low-income tracts, although 4.1% of businesses are located in the tracts. The aggregate of all CRA lenders made 2.8% of their small business loans in low-income tracts. Therefore, the bank's lending in low-income tracts is considered poor.

The bank originated no loans in moderate-income tracts, although 12.1% of businesses are located in these tracts. In addition, the aggregate of all CRA lenders originated 10.5% of their loans in moderate-income tracts. Therefore, the bank's lending to small businesses in moderate-income tracts is considered poor.

The bank originated 73.5% and 26.5% of its small business loans in middle- and upper-income tracts, compared to the proxy at 51.9% and 31.9s%, respectively. The aggregate of all CRA lenders originated 47.2% and 37.7% of its small business loans in middle- and upper-income geographies. In addition, the bank originated three small business loans in distressed tracts located in Lenawee County.

Borrower Distribution

The borrower distribution of loans is excellent. Specifically, the distribution of HMDA loans and consumer loans are considered excellent. In addition, lending to businesses with revenues of \$1 million dollars or less is considered good.

HMDA Loans

Home Purchase

State Bank originated 14 home purchase loans (20.9%) of its home purchase loans to low-income borrowers, which was above the percentage of low-income families in the assessment area at 20.4% and significantly higher than the aggregate of all HMDA lenders at 10.2%. Therefore, the bank's lending to low-income borrowers is considered excellent.

State Bank made 18 loans (26.9%) to moderate-income borrowers, which was well above the proxy at 18.0% and the aggregate of all HMDA lenders at 23.0%. Therefore, the bank's lending to moderate-income borrowers is considered excellent.

The bank originated 22.4% and 25.4% of its loans to middle- and upper-income borrowers, which was comparable to the proxy at 22.5% and 39.1%. The aggregate of all HMDA lenders originated 22.2% and 31.3% of their loans to middle- and upper-income borrowers. The bank originated 4.5% of its loans to borrowers with unknown income.

Refinance

State Bank made six loans (9.4%) to low-income borrowers, which was significantly less than the proxy, but higher than the aggregate of all HMDA lenders at 8.3%. In addition, the majority of low-income families are located in the low-income census tracts that are not in close proximity to State Bank's branches in the Toledo MSA. In addition, the areas in which the majority low-income families live are served by a number of large institutions that offer a greater variety of mortgage loan products. Therefore, even though the bank's branches are farther away from the low-income tracts and there is a large amount of competition in these areas, the bank's lending is considered good.

The bank originated 23 loans (35.9%) to moderate-income borrowers, which was significantly higher than the proxy and the aggregate of all HMDA lenders at 18.6%. Thus, the bank's lending to moderate-income borrower is considered excellent for this loan product.

The bank made 31.3% and 20.3% of its refinance loans to middle- and upper-income borrowers which were comparable to the proxy at 22.2% and 31.3%. The aggregate of all HMDA lenders made 22.1% of their refinance loans to middle-income borrowers and 31.3% to upper-income borrowers. The bank originated 3.1% of its loans to borrowers with unknown income.

Consumer Loans

Home Equity

State Bank made 17 loans (8.2%) to low-income borrowers, which was significantly less than the percentage of low-income households in the assessment area at 24.0%. In addition, 11.9% of low-income households are located in low-income tracts not geographically close to the bank's branches. Furthermore, the low-income tracts are highly saturated with financial institutions that offer a greater selection of loan products and are in closer proximity to where low-income borrowers live. Therefore, the bank's lending to low-income borrowers is considered good.

The bank originated 45 loans (21.7%) to moderate-income borrowers. Compared to the proxy at 16.5%, the bank's lending is significantly higher. Thus, the bank's lending to moderate-income borrowers is considered excellent.

The bank made 29.5% and 37.7% of its loans to middle- and upper-income borrowers, which is comparable to the proxy at 18.5% and 41.1%.

Motor Vehicle

State Bank originated 41 motor vehicle loans (30.8%) to low-income borrowers, which is significantly higher than the percentage of low-income households in the assessment area at 24.0%. Thus, the bank's lending to low-income borrowers is considered excellent.

The bank made 32 loans (24.1%) of its loans moderate-income borrowers which is higher than the proxy. Therefore, the bank's lending to moderate-income borrowers is considered excellent.

State Bank lent 21.1% and 23.3% of its motor vehicle loans to middle- and upper-income borrowers, compared to the proxy at 18.5% and 41.1%.

Other Secured

State Bank originated 12 loans (21.8%) to low-income borrowers which is comparable to the proxy. Taking into consideration the bank's branch proximity to low-income areas and the competition in those areas, the bank's lending to low-income borrowers is considered excellent.

The bank made 16 loans (29.1%) of its loans to moderate-income borrowers, which was much higher than the proxy. Thus, the bank's lending to moderate-income borrower is considered excellent.

The bank originated 18.2% and 27.3% of its loans to middle- and upper-income borrowers, which was comparable to the proxy.

Small Business

State Bank originated 84.3% of its business loans to small businesses with revenues of \$1 million dollars or less. The amount of loans was comparable to the percentage of small businesses in the assessment area at 86.1%, but significantly higher than the aggregate of all CRA reporters' loans to small businesses at 40.2%.

The bank originated 53 loans (71.6%) for amounts less than or equal to \$100,000, compared to the aggregate of all CRA reporters at 90.7%. The bank originated 19 (18.6%) loans for amounts greater than \$100,000, but less than or equal to \$250,000, compared to the aggregate of all CRA reports at 4.6%. Lastly, the bank originated ten loans (9.8%) for loan amounts greater than \$250,000, but less than or equal to \$1,000,000, compared to the aggregate of all CRA reporters at 4.7%. Thus, the bank's lending to small businesses is considered good.

Community Development Lending

During the evaluation period, State Bank originated a loan for \$2.5 million in the non-metropolitan Ohio assessment area to finance the construction of an in-patient hospice facility in Defiance, Ohio. The funds were allocated to non-metropolitan Ohio because the hospice serves the counties of Defiance, Henry, Paulding, Putnam, and Williams. The hospice also provides services to Fulton County which is part of the Toledo MSA. The hospice created 25 jobs for low and moderate-income individuals.

Investment Test

State Bank's performance under the investment test for the Toledo, Ohio MSA is adequate. The bank has an adequate level of qualified investments providing an adequate responsiveness to the needs of the community. The bank purchased a mortgage-backed security totaling \$500,000, which provides funds to individuals who need affordable housing. In addition, a portion of a statewide donation of \$500 was allocated to this assessment area in the amount of \$152, which provided scholarships to low- and moderate-income students. While only two investments were made in the assessment area, the competition in this assessment area and the asset size of the bank limits the bank's ability to be a leader in investments for this area.

In addition, the bank had one statewide revenue bond from the previous examination with an unamortized balance of \$40,000. A portion of the remaining balance was allocated to this assessment area (based on the bank's percentage of deposits) in the amount of \$12,160.

Service Test

Retail Services

Retail delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in the assessment area. The bank has seven branches in the assessment area. Five of the branches are located in middle-income census tracts and the remaining two branches are located in upper-income tracts. The bank's branch distribution in the Toledo MSA was affected by the collapse of The Exchange Bank in Luckey, Ohio into State Bank. This merger took place on March 25, 2007 and, as a result, the bank added four offices (Luckey, Perrysburg, Sylvania, and Walbridge). On November 26, 2007, the bank closed an ATM located in an upper-income tract in Holland, Ohio. The closing of this ATM did not affect the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Services and hours do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income geographies and/or individuals.

Community Development Services

The bank provides a limited level of community development services in this assessment area. The following are the services that qualified as community development:

- *Agricultural Seminar* – The bank hosted one seminar that promoted economic development by educating farmers on marketing and financial planning.
- *Home Buying Seminar* – The bank hosted one seminar in Fulton County in cooperation with the Ohio Housing Finance Agency that promoted affordable housing.
- *New Home Development Company* – This organization promotes affordable housing for low and moderate income individuals in the Toledo MSA. A bank employee is a board member for the organization.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LIMA, OHIO MSA 30620

State Bank assessment area consists of the entirety of Allen County, which is part of the Lima Metropolitan Statistical Area. Allen County is located in the northwestern portion of the state of Ohio. Allen County is composed of 2 low-income census tracts, 11 moderate-income tracts, 15 middle-income tracts and 6 upper-income census tracts. The bank has one branch located in a moderate-income tract and one branch is located in a middle-income tract.

Population Characteristics

According to the 2000 U.S. Census, of the assessment area's population, 25.9% are age 17 and younger, 9.9% are age 18 to 24, 50.0% are age 25 to 64 and 14.2% are age 65 and over. According to data from the 2000 Census, the city of Lima, which is also the county seat for Allen County, has a population of 40,081 in 2000, but the Ohio Department of Development estimates that the population for the city of Lima in 2006 has decreased to 38,219, a decline of 4.6%. According to the 2000 U.S. Census, the total population for the assessment area is 108,473.

Income Characteristics

Based on data provided by the 2000 U.S. Census, the median family income for the bank's assessment area is \$44,723, which is lower than the State of Ohio's median family income of \$50,037.

There are 40,625 households and 28,474 (70.1%) are designated as families. Of the households designated as families, 19.1% are low-income, 18.8% are moderate-income, 22.8% are middle-income, and 39.2% are upper-income. Of these, 2,742 or 9.6% have incomes below the poverty level.

Housing Characteristics

According to the data provided by the 2000 U.S. Census, there are 44,245 housing units in the assessment area, of which 86.0% are one-to-four family units. Additionally, 66.2% of the housing units in this area are owner-occupied, while 25.7% are rental units and 8.1% are vacant. Within the assessment area, 86.0% are one-to-four units, 8.8% are five or more units, 5.1% are mobile homes, and 0.1% other units. The median age of the housing stock is 42 years for the assessment area. U.S. Census data indicated that the median housing value is \$80,633 in the assessment area. Furthermore, the affordability ratio for Allen County is 45% and the median gross rent is \$445.

The 2000 U.S. Census data revealed that 1,478 housing units are located in low-income tracts, 12,251 are located in moderate-income tracts, 22,467 are in middle-income tracts, and 8,049 housing units are located in upper-income tracts.

According to an article found on the website KnowledgePlex.org, Ohio was ranked third in the country with the highest amount of foreclosures. Lima was one of the hardest hit areas in 2007 for the state. From 2006 to 2007, foreclosures in Lima increase by 499 percent; in real numbers, Lima's foreclosure filings jumped from 72 filings in 2006 to 431 in 2007. Therefore, the high foreclosure rate in the assessment area will be factored into the institution's ability to lend in this area.

Economic Characteristics

The Ohio Department of Development indicated that the largest industries in the assessment area based on average annual employment for 2005 were manufacturing, health care and social assistance, and state and local government. According to the Ohio Department of Development, the average wages for the largest industries are as follows: manufacturing \$48,943; health care and social assistance \$36,720; and state and local government \$34,689. Some of the major employers in the area are BP Chemicals, Inc., Countryside Foods/I&K Distributors, and Dana Corporation.

Included in the Lima MSA are two correctional institutions. The Allen Correctional Institution has a population of 1,316 inmates and opened in 1987. This institution is situated on 78 acres in Allen County. The Oakwood Correctional Facility is also located in the Lima MSA. This facility opened in 1994, is situated on 18 acres, and houses 119 inmates. Both institutions are located in the same census tract, which, according to the 2000 U.S. Census, is a middle-income tract.

According to the Ohio Department of Job and Family Services for the year 2007, Allen County has an unemployment rate of 6.3% which is above both the national unemployment rate of 4.6% and the state of Ohio's unemployment rate of 5.6%. Of the 88 counties in Ohio, Allen County ranks the 27th highest county in unemployment rate based on an annual average for 2007. Furthermore, for the month of March 2008, Allen County had an unemployment rate of 6.7%.

The demographic table that follows illustrates the bank's assessment area.

Combined Demographics Report

State Bank and Trust Company

Analysis Year: 2006 & 2007

Assessment Area(s): MSA 30620

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	5.9	618	2.2	225	36.4	5,450	19.1
Moderate-income	11	32.4	6,577	23.1	1,413	21.5	5,361	18.8
Middle-income	15	44.1	15,310	53.8	892	5.8	6,502	22.8
Upper-income	6	17.6	5,969	21.0	212	3.6	11,161	39.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	34	100.0	28,474	100.0	2,742	9.6	28,474	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,478	364	1.2	24.6	772	52.2	342	23.1
Moderate-income	12,251	5,850	20.0	47.8	4,775	39.0	1,626	13.3
Middle-income	22,467	16,566	56.6	73.7	4,597	20.5	1,304	5.8
Upper-income	8,049	6,510	22.2	80.9	1,212	15.1	327	4.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	44,245	29,290	100.0	66.2	11,356	25.7	3,599	8.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	311	9.0	270	8.9	31	8.8	10	11.9
Moderate-income	752	21.7	641	21.2	101	28.6	10	11.9
Middle-income	1,659	47.9	1,462	48.4	153	43.3	44	52.4
Upper-income	738	21.3	650	21.5	68	19.3	20	23.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,460	100.0	3,023	100.0	353	100.0	84	100.0
Percentage of Total Businesses:			87.4		10.2		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	2	0.7	2	0.7	0	0.0	0	0.0
Middle-income	241	83.4	238	83.2	3	100.0	0	0.0
Upper-income	46	15.9	46	16.1	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	289	100.0	286	100.0	3	100.0	0	0.0
Percentage of Total Farms:			99.0		1.0		0.0	

Within the bank's assessment area, there are eleven institutions with 38 offices competing for business. State Bank and Trust ranks eighth out of the eleven institutions with a deposit market share of 3.3%. JP Morgan Chase Bank National Association ranks first, Huntington National Bank ranks second, Citizens National Bank of Bluffton ranks third, First Federal Bank of the Midwest ranks fourth, and Fifth Third Bank ranks fifth in deposit market share.

Community Contacts

A community contact was conducted with a member of a non-profit organization that helps provide affordable housing in Allen County. The individual stated that local financial institutions are providing a good amount of housing assistance to low- and moderate-income borrowers in Allen County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LIMA, OHIO MSA 30620

Lending Test

State Bank's performance on the lending test for this assessment area is considered good. The bank has an adequate geographic distribution of loans in its assessment area and a good distribution of loans among individuals of different income levels and businesses of different sizes. In addition, the bank has made a relatively high level of community development loans in the assessment area.

Lending Activity

Lending levels reflect an adequate responsiveness to the credit needs throughout the assessment area. State Bank's deposit share is only 3.3% in the assessment area and the bank ranks 17th out of 194 institutions for lending share of HMDA-originated loans and 16th out of 36 institutions for lending share of CRA-originated loans. Therefore, due to the competition in the market, the lending levels are adequate.

Geographic Distribution

Factoring in the performance context in which the bank operates, the geographic distribution of loans is adequate. HMDA lending is considered excellent and consumer lending and small business lending are considered poor. This portion of the assessment area is made up of only Allen County and based upon the bank's lending activity and deposit share, the bank does not have a large footprint in the area.

Lending gaps for the Lima MSA were present; however, the gaps were not substantial. According to statistics provided from the 2000 U.S. Census, in low- and moderate-income tracts, the unemployment rate is 17.9% and 9.9% compared to the unemployment rates in middle- and upper-income geographies at 4.3% and 3.3%. The higher unemployment rates in the LMI tracts would have an impact on the bank's ability to lend. In addition, there is a substantial amount of competition and State Bank ranks 17th in lending share out of 194 HMDA-reportable institutions.

HMDA Loans

Home Purchase

State Bank made two home purchase loans (3.3%) in low-income tracts, which was significantly higher than the proxy at 1.2%. The aggregate of all HMDA lenders made 1.4% of its home purchase loans in low-income tracts. Therefore, the geographic distribution of home purchase loans in low-income tracts is considered excellent.

The bank made 14 loans (23.0%) in moderate-income geographies, which was significantly higher than the proxy at 20.0%. The aggregate of all HMDA lenders originated 19.3% of its home purchase loans in moderate-income geographies. Thus, the geographic distribution for home purchase loans is considered excellent.

State Bank made 50.8% and 23.0% of its home purchase loans in middle- and upper-income geographies compared to the proxy at 56.6% and 22.2%. The aggregate of all HMDA lenders originated 53.1% and 26.2% of its home purchase loans in middle- and upper-income tracts.

Refinance

State Bank made two refinance loans (3.2%) in low-income tracts, which was significantly more than the percentage of owner-occupied units in these tracts at 1.2%. The aggregate of all HMDA lenders made 2.0% of its refinance loans in low-income tracts, which was lower than the bank's figure. Therefore, the distribution of refinance loans in low-income tracts is excellent.

The bank originated 10 loans (15.9%) in moderate-income tracts, which was comparable to the percentage of owner-occupied units in these tracts at 20.0% and aggregate lending at 20.5%. Therefore, the geographic for loans made in moderate-income tracts is good.

State Bank made 47.6% and 33.3% of its refinance loans in middle- and upper-income tracts, compared to the proxy at 56.6% and 22.2%. The aggregate of all HMDA lenders made 55.5% and 21.9% of their loans in middle- and upper-income tracts.

Consumer Loans

Unsecured loans and other secured loans were not reviewed due to the limited amount of loans originated during the evaluation period.

Home Equity

State Bank originated no home equity loans in low-income tracts, as only 2.9% of households are found in these tracts. However, prospective home equity borrowers must own their homes and only 1.2% of the owner-occupied units are located in these two tracts, limiting home equity lending opportunities. Factoring in this consideration, the bank's lending in low-income tracts is considered poor.

The bank originated 13 loans (14.6%) in moderate-income tracts, which was lower than the percentage of total households in these tracts at 26.1%; however, considering competitive factors and the bank's limited presence in the county, the bank's lending in moderate-income tracts is considered adequate.

The bank originated 49.4% and 36.0% of its home equity loans to middle- and upper-income geographies compared to the proxy at 52.0% and 19.0%.

Motor Vehicle

State Bank originated no motor vehicle loans in low-income tracts, as only 2.9% of households are found in these tracts. Therefore, the bank's lending in low-income tracts is considered poor.

The bank originated five motor vehicle loans (9.4%) in moderate-income tracts, which was significantly less than the proxy at 26.1%. Thus, the bank's lending in moderate-income tracts is considered poor.

State Bank originated 56.6% and 34.0% of its motor vehicle loans in middle- and upper-income tracts, compared to the proxy at 52.0% and 19.0%.

Small Business Loans

State Bank made one small business loan (1.2%) in low-income tracts, which was less than the percentage of businesses in the tract at 9.0%. In addition, the aggregate of all CRA lenders made 6.2% of their loans in low-income tracts. Thus, the bank's lending in low-income geographies is considered poor.

The bank made ten loans (11.8%) in moderate-income tracts, which was lower than the proxy at 21.7%. The aggregate of all CRA lenders made 17.3% of its small business loans in moderate-income geographies. Therefore, the bank's lending in moderate-income tracts is considered adequate. The bank has a branch in a moderate-income tract and exceeds the aggregate in lending in middle- and upper-income tracts.

State Bank made 55.3% and 31.8% of its small business loans in middle- and upper-income tracts, compared to the proxy at 47.9% and 21.3%. The aggregate of all CRA lenders made 51.1% and 23.8% of its small business loans in middle- and upper-income geographies.

Borrower Distribution

The borrower distribution of loans is considered good. Specifically, the distribution of HMDA loans and consumer loans are considered to be good and small business loans with revenues of \$1 million dollars is considered excellent. In addition, the bank performed well in lending to low- and moderate-income borrowers, considering the percentage of families living below the poverty rate in the assessment area is 9.6%.

Home Purchase

State Bank originated ten home purchase loans (16.4%) to low-income borrowers compared to the proxy at 19.1% and aggregate of all HMDA lenders at 11.0%. Therefore the bank's lending to low-income borrowers is considered good.

State Bank originated eleven loans (18.0%) to moderate-income borrowers, which was almost equal to the proxy at 18.8%. The bank's originations to moderate-income borrowers were slightly less than the aggregate of all HMDA lenders at 23.1%. Therefore, the bank's lending to moderate-income borrowers is considered good.

The bank originated 21.3% and 36.1% of its home purchase loans to middle- and upper-income borrowers, which was comparable to the proxy at 22.8% and 39.2%. The bank's originations to middle- and upper-income borrowers were comparable to the aggregate of all HMDA lenders at 23.4% and 26.9%.

Refinance

State Bank made nine loans (14.3%) to low-income borrowers, which was lower than the percentage of low-income borrowers in the assessment area at 19.1%, but significantly higher than the aggregate of all HMDA lenders at 10.3%. Therefore, the bank's lending to low-income borrowers is considered good.

The bank originated four loans (6.3%) to moderate-income borrowers, which was significantly less than the percentage of moderate-income families in the assessment area at 18.8% and the aggregate of all HMDA lenders at 19.1%. Therefore, the bank's lending to moderate-income borrowers is considered poor.

State Bank originated 14.3% and 50.8% of its refinance loans to middle- and upper-income borrowers, compared to the proxy at 22.8% and 39.2%. The aggregate of all HMDA lenders made 24.3% and 30.0% of its refinance loans to middle- and upper-income borrowers.

Consumer Loans

Home Equity

State Bank made 11 loans (12.4%) to low-income borrowers, which was comparable to the percentage of low-income households in the assessment area at 23.2%. Considering the difficulty in qualifying low-income borrowers for home equity loans, the bank's lending to low-income borrowers is considered adequate.

State Bank made 17 loans (19.1%) to moderate-income borrowers, which was significantly higher than the percentage of moderate-income households in the assessment area at 16.6%. Therefore, the bank's lending to moderate-income borrowers is considered excellent.

The bank originated 16.9% and 48.3% of its Home Equity loans to middle- and upper-income borrowers. These numbers are comparable to the percentage of middle- and upper-income households in the assessment area at 19.3% and 40.9%.

Motor Vehicle

The bank originated 12 motor vehicle loans (22.6%) to low-income borrowers, which almost equaled the proxy at 23.2%. Therefore, the bank's motor vehicle lending to low-income borrowers is considered good.

State Bank originated 13 loans (24.5%) to moderate-income borrowers, which surpassed the proxy at 16.6%. Therefore, the bank's lending to moderate-income borrowers is considered excellent.

The bank originated 20.8% and 7.5% of its motor vehicle loans to middle- and upper-income borrowers compared to the proxy at 19.3% and 40.9%.

Small Business

The bank originated 83 loans (97.6%) to small businesses with revenues with revenues of \$1 million dollars or less. This amount of loans surpassed the percentage of small businesses in the assessment area at 87.4% and the aggregate of all CRA reporters' loans to small businesses at 35.0%. Thus, the bank's lending to small businesses is considered excellent.

Community Development Lending

The bank did not make any community development loans in this assessment area during the evaluation period.

Investment Test

State Bank and Trust's performance under the investment test for the Lima, Ohio MSA is poor. The bank has a poor level of qualified investments and demonstrated a poor responsiveness to the needs of the community. During the evaluation period, the bank made one statewide donation of \$500, of which \$67 was allocated to the Lima MSA. The donation provided scholarships to low- and moderate-income students.

In addition, the bank had one statewide revenue bond from the previous examination with an unamortized balance of \$40,000. A portion of the remaining balance in the amount of \$5,400 (based on the bank's percentage of deposits) was allocated to this assessment area.

Service Test

Retail delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment area. The bank has two branches in its assessment area; one office is located in a moderate-income tract and the other office in a middle-income tract. Its services and hours do not vary in a way that inconveniences its assessment area, particularly to low- and moderate-income geographies and/or individuals. The bank has not opened or closed any branches within this evaluation period.

Community Development Services

The bank provides a relatively high level of community development services to its assessment area.

The following are the services the bank provided during the evaluation period:

- *Lima Allen Council on Community Affairs* – This organization promotes affordable housing and economic development in Allen County. A bank employee presides on the micro-enterprise loan committee, which provides housing assistance, micro-enterprise assistance, first-time home buyer education, and down payment assistance.
- *Lima Area Development Corporation* – This organization promotes economic development in Allen County. Allen County has been designated as a distressed area by the Ohio Department of Development. A bank employee is the treasurer for the organization.
- *State Bank Housing Seminars* – These seminars, conducted in cooperation with the Lima/Allen Council on Community Affairs, promote affordable housing in the assessment area by providing information and guidance to first-time home buyers.

NONMETROPOLITAN STATEWIDE AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-METROPOLITAN OHIO

State Bank's non-metropolitan assessment area consists of the following counties: Defiance, Henry, Paulding, Putnam, and Williams. This assessment area is comprised of no low- or moderate-income tracts, 27 middle-income tracts, and 10 upper-income tracts for a total of 37 census tracts. The bank has 8 offices in non-metropolitan Ohio assessment: seven are in middle income tracts and one is in an upper-income tract. State Bank's main office is in this assessment area.

Population Characteristics

According to the 2000 U.S. Census, of the assessment area's population, 27.3% are age 17 and younger, 8.6% are age 18 to 24, 50.7% are age 25 to 64, and 13.4% are age 65 and over.

The city of Defiance is the largest city in Defiance County. According to the Ohio Department of Development, the population of Defiance County decreased 1.0% between 2000 and 2006. The city of Napoleon is the largest city in Henry County. The population for Henry County from 2000 to 2006 has increased by 1.1%. The largest town in Paulding County is the village of Paulding. From 2000 to 2006, Paulding County has had a decrease in population by 4.2%. The largest city in Williams County is the city of Bryan. From 2000 to 2006, Williams County has had a decrease in population by 1.2%. Ottawa Village is the largest town in Putnam County. According to the Ohio Department of Development, the population of Putnam County has increased by 0.1% from the years 2000 to 2006.

Income Characteristics

Based on the 2000 U.S. Census, the median family income for the bank's assessment area is \$49,625 compared to the State of Ohio's median family income of \$50,037.

Additionally, there are 61,166 households and 44,836 (73.3%) are designated as families. Of those families, 12.0% are considered low-income, 16.7% are considered moderate-income, 25.3% are considered middle-income, 46.1% are considered upper-income, and 4.4% have incomes below the poverty level. Since most of the families in the assessment are middle- and upper-income families, the majority of lending would be expected in these categories.

Housing Characteristics

According to the 2000 U.S. Census, there are 65,033 housing units in the assessment area, of which 87.0% are one-to-four family units, 3.6% are five or more units, 9.3% are mobile homes, and 0.1% designated as other units. Additionally, 75.7% of the housing units in this assessment area are owner-occupied, while 18.3% are rental units and 6.0% are vacant units. The median age of the housing stock for the assessment area was 39 years. The median age of the housing stock for the respective counties range from 36 to 42 years. U.S Census data indicated that the median housing value is \$84,646 for the assessment area. The Census data revealed that 46,864 housing units are located in middle-income census tracts and 18,169 housing units are located in upper-income geographies.

According to an article on the website KnowledgePlex.org⁷ by John Chavez entitled *2007 Foreclosures Shoot Up in Northwest Ohio*, the northwestern Ohio real-estate market and southeastern Michigan real estate market has been hit hard by unemployment, speculators, and other troubles that have increased the levels of foreclosures in the area. According to the article, from the years 2006 to 2007, Putnam County had the largest increase in foreclosures at 878.0% and Williams County had an increase of 271.0%. However, going back to 2005, Williams County actually had the largest increase among 16 counties, by 666.0%. Only one county in northwestern Ohio, Henry County, decreased their foreclosure filings by 11.0%. According to a broker with Coldwell Banker Classic Properties located in the city of Bryan in Williams County, the 130 foreclosure filings in Williams County last year were tied to subprime lending. According to the Mortgage Broker, the situation greatly damaged Williams County's market by bringing down the prices of homes, which affected potential buyers of mid-priced homes because they could not sell their current homes. Therefore, the high foreclosure rate in northwestern Ohio will be factored into the bank's ability to provide mortgage lending in these areas.

Economic Characteristics

The Ohio Department of Development indicated that for Defiance County, the following are the largest industries: manufacturing, retail trade, accommodation and food services, and state and local government. The average wage for these industries is as follows: manufacturing \$55,874; retail trade \$19,900; state and local government \$31,607; and accommodation and food services \$9,375. Some of the major employers in Defiance County are Parker Hannifin Corp., Sears Holdings/Kmart Corp., Defiance Metal Products Co., and Defiance City Board of Education.

For Henry County, the following are the largest industries in the county: manufacturing, retail trade, health care and social assistance, and state and local government. The average wages for these industries are as follows: manufacturing \$41,302; retail trade \$20,729; health care and social assistance \$24,722; and state and local government \$31,000. Some of the major employers for the county are Alex Products, Campbell Soup Co., Filling Memorial Home of Mercy, and Wal-Mart Stores, Inc.

7 www.knowledgeplex.org/news/1373561.html?p=1

For Paulding County, the following are the largest industries in the county: manufacturing and state and local government. The average wages for these industries are as follows: manufacturing \$33,600; and state and local government \$29,000. Some of the major employers are Taylor Made Group, Wayne Trace Local Board of Education, and Alex Products, Inc.

For Williams County, the following are the largest industries in the county: manufacturing, state and local government, health care and social assistance, retail trade, and accommodation and food services. The average wages for these industries are as follows: manufacturing \$37,000; retail trade \$18,000; health care and social assistance \$37,000; accommodation and food services \$9,000; and state and local government \$30,000. Some of the major employers in Williams County are Community Hospitals, Ohio Art Co., Titan Tire Corp., Bryan City Board of Education. and Ingersoll-Rand Co.

In Putnam County, the following are the largest industries in the county: manufacturing, state and local government, retail trade, and health care and social assistance. The average wages for these industries are as follows: manufacturing \$42,000; state and local government \$27,000; retail trade \$17,000; and health care and social assistance \$20,000. Some of the major employers in Putnam County are Pro-Tec Coating Co., Inc., Kalida Manufacturing Inc., Wal-Mart Stores Inc., and Procter & Gamble/Iams Co.

According to the Ohio Department of Job and Family Services, the annual 2007 average unemployment rates are as follows: Williams 6.1%; Henry 6.3%; Defiance 5.7%; Paulding 5.0%; and Putnam 4.8%. Henry County ranks 28th in the State of Ohio for the highest unemployment rate, Williams is 39th, Defiance is 51st, Paulding is 73rd, and Putnam is 77th. The U.S. unemployment rate is 4.6% and the state of Ohio's unemployment rate is 5.6%.

There is a significant amount of competition throughout the bank's assessment area; however, State Bank is one of the major competitors. There are 23 financial institutions insured by the FDIC operating 89 offices within non-metropolitan Ohio. According to the FDIC's Deposit Market Share Report statistics as of June 30, 2007, State Bank ranked third with 8.0% of the market share of deposits within the county it serves. First Federal Bank of the Midwest ranked first with 21.8% in market share and Sky Bank ranked second with 18.9% in market share. Effective July 1, 2007, Sky Bank was merged into Huntington National Bank.

Combined Demographics Report

State Bank and Trust

Analysis Year: 2006 & 2007

Assessment Area(s): Non-MSA OH

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	5,379	12.0
Moderate-income	0	0.0	0	0.0	0	0.0	7,474	16.7
Middle-income	27	73.0	31,696	70.7	1,532	4.8	11,319	25.2
Upper-income	10	27.0	13,140	29.3	457	3.5	20,664	46.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	37	100.0	44,836	100.0	1,989	4.4	44,836	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	46,864	34,688	70.5	74.0	9,131	19.5	3,045	6.5
Upper-income	18,169	14,548	29.5	80.1	2,784	15.3	837	4.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	65,033	49,236	100.0	75.7	11,915	18.3	3,882	6.0
	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	3,713	71.7	3,216	71.5	352	72.0	145	74.4
Upper-income	1,467	28.3	1,280	28.5	137	28.0	50	25.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,180	100.0	4,496	100.0	489	100.0	195	100.0
Percentage of Total Businesses:			86.8		9.4		3.8	
	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	899	70.2	891	70.2	7	77.8	1	100.0
Upper-income	381	29.8	379	29.8	2	22.2	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,280	100.0	1,270	100.0	9	100.0	1	100.0
Percentage of Total Farms:			99.2		0.7		0.1	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN OHIO

Lending Test

State Bank's performance on the lending test for this assessment area is good. The bank has a good distribution of loans among individuals of different income levels and businesses and farms of different sizes. In addition, the bank has a good record of serving the credit needs of highly economically disadvantaged areas, low-income individuals, and businesses and farms with gross annual revenues of \$1 million or less. Lastly, the bank has made a relatively high level of community development loans in the assessment area.

Lending Activity

Lending levels reflect a good responsiveness to the credit needs throughout the assessment area. State Bank ranks 12th of 251 in lending share for non-metropolitan Ohio for HMDA loans. Among CRA reporters, it ranks 10th of 42.

Geographic Distribution

The geographic distribution reflects a good distribution of loans throughout its middle- and upper-income tracts. As stated previously, this assessment area has no low- or moderate-income tracts, and the bank had no significant lending gaps in its assessment area. Lending occurred in all census tracts in 2006, and in all but two middle-income geographies in 2007.

HMDA Loans

Refinance

State Bank originated 61 loans (61.6%) in middle-income geographies, which is lower than the percentage of owner-occupied units located in these tracts at 70.5%. The aggregate of all HMDA lenders originated 74.9% of its refinances in middle-income geographies. The bank originated 38 (38.4%) of its refinances in upper-income geographies, which was significantly higher than the percentage of owner occupied units in these tracts at 29.5% and the aggregate of all HMDA lenders at 25.1%.

Home Purchase

State Bank originated 50 home purchase loans (60.2%) in middle-income geographies, which is comparable to the percentage of owner-occupied units located in these tracts at 70.5%. The aggregate of all HMDA lenders originated 70.9% of its refinances in middle-income geographies. The bank originated 33 loans (39.8%) of its home purchase loans in upper-income geographies, which was significantly higher than the percentage of owner-occupied units in these tracts at 29.5% and the aggregate of all HMDA lenders at 29.1%.

Consumer Loans

Motor Vehicle

State Bank originated 280 motor vehicle loans (66.5%) in middle-income geographies, which is comparable the percentage of total households in these tracts at 71.6%. In addition, the bank originated 141 motor vehicle loans (33.5%) in upper-income geographies, which surpassed the proxy at 28.4% in upper-income tracts.

Home Equity

State Bank originated 237 Home Equity loans (65.1%) in middle-income geographies, which is comparable to the percentage of total households in these tracts. Furthermore, State Bank originated 127 loans (34.9%) in upper-income geographies, which surpassed the proxy at 28.4%.

Other Secured

The bank originated 108 loans (73.0%) to middle-income geographies, which exceeds the proxy at 71.6%. The bank made 40 loans (27.0%) in upper-income geographies, which almost equals the proxy at 28.4%.

Other Unsecured

State Bank made 28 loans (60.9%) in middle-income geographies, which is just slightly below the proxy. In addition, the bank originated 18 loans (39.1%) in upper-income geographies, which exceeded the proxy.

Small Business Loans

The bank made 138 small business loans (61.1%) in middle-income census tracts, which is less than the percentage of businesses in the tract at 71.7% and the aggregate of all CRA lenders at 68.4%. State Bank originated 88 small business loans 38.9% of its small business loans in upper-income census tracts, which is greater than the percentage of all small businesses in these tracts at 28.3% and exceeds the aggregate of all CRA lenders at 27.4%.

Small Farm Loans

The bank originated 169 small farm loans (85.4%) in middle-income census tracts, which exceeds the percentage of total farms in the tract at 70.2%. The bank made 29 loans (14.6%) of its small farm loans in upper-income census tracts, which was less than the proxy at 29.8%.

Borrower Distribution

The borrower distribution of loans is good. Specifically, the distribution of HMDA loans, small farm loans, and small business loans to borrowers of different income levels is good. In addition, the borrower distribution for consumer loans is considered excellent.

Refinance

State Bank originated five loans (5.1%) to low-income borrowers, which was less than the percentage of low-income families in the assessment area at 12.0% and almost equal to the aggregate of all HMDA lenders at 5.8%. While the lending to low-income borrowers for this product initially may look poor, after considering the banking environment during the lending period as well as the rate environment, the bank's lending to low-income borrowers is considered adequate.

The bank originated 19 loans (19.2%) to moderate-income borrowers, which exceeded the proxy at 16.7% and the aggregate of all HMDA lenders at 17.4%. Therefore, the bank's lending to moderate-income borrowers is considered excellent.

State Bank originated 26.3% and 39.4% of its refinance loans to middle- and upper-income borrowers. The percentage of middle-income and upper-income families in the assessment area is 25.2% and 46.1%. In addition, the aggregate of all HMDA lenders originated 28.0% of its refinance loans to middle-income borrowers and 32.8% of its loans to upper-income borrowers.

Home Purchase

State Bank originated 13 home purchase loans (15.7%) to low-income borrowers, which exceeded the percentage of low-income families in the assessment area at 12.0% and the aggregate of all HMDA lenders at 10.1%. Thus, the bank's lending to low-income borrowers is considered excellent.

The bank originated 19 loans (22.9%) to moderate-income borrowers, which exceeded the proxy at 16.7% and was the same the aggregate of all HMDA lenders. Thus, the bank's lending to moderate-income borrowers is considered excellent.

State Bank made eleven loans (13.3%) to middle-income borrowers and 41.0% of its loans to upper-income borrowers, compared to the proxy at 25.2% and 46.1%. The aggregate of all HMDA lenders originated 26.2% of its home purchase loans to middle-income borrowers and 26.5% to its loans to upper-income borrowers.

Consumer Loans

Motor Vehicle

State Bank made 85 motor vehicle loans (20.2%) to low-income borrowers, which surpassed the percentage of low-income households in the assessment area at 15.9%. Therefore, the bank's performance of lending to low-income borrowers is considered excellent.

The bank originated 95 motor vehicle loans (22.6%) to moderate-income borrowers, which exceeded the percentage of moderate-income households in the assessment area at 15.2%. Thus, the bank's performance of lending to moderate-income borrowers is considered excellent.

The bank made 24.9% of its motor vehicle loans to middle-income borrowers and 27.6% of its loans to upper-income borrowers compared to the proxy at 20.4% and 48.5%, respectively.

Home Equity

State Bank originated 22 (6.0%) home equity loans to low-income borrowers, which is less than the percentage of low-income households in the assessment area at 15.9% and the percentage of low-income households. While the lending to low-income borrowers for this product may look initially poor, after considering the banking environment during the lending period, as well as the rate environment, the bank's lending to low-income borrowers is considered adequate.

The bank made 55 loans (15.1%) to moderate-income borrowers, comparable to the proxy of 15.2%. Thus, the bank's performance of lending to moderate-income borrowers is considered excellent.

The bank originated 28.0% and 42.9% of its loans to middle- and upper-income borrowers, which exceeded the proxy at 20.4% and 48.5%.

Other Secured

State Bank originated 28 loans (19.0%) to low-income borrowers and exceeded the proxy. Thus, the bank's lending to low-income borrowers is considered excellent.

The bank originated 38 loans (25.7%) of its loans to moderate-income borrowers, which exceeded the proxy at 15.2%. Therefore, the bank's performance of lending to moderate-income borrowers is considered excellent.

The bank originated 24.3% and 23.0% of its loans to middle- and upper-income borrowers compared to the percentage of middle-income households at 20.4% and the percentage of upper-income households at 48.5%.

Other Unsecured

State Bank originated eight loans (17.4%) to low-income borrowers, which exceeded the proxy. Therefore, the bank's performance in lending to low-income borrowers is considered excellent.

State Bank originated eleven unsecured loans (23.9%) to moderate-income borrowers, which exceeded the proxy. Therefore, the bank's performance in lending to moderate-income borrowers is considered excellent.

The bank made 32.6% and 23.9% of its unsecured loans to middle- and upper-income borrowers compared to the proxy at 20.4% and 48.5%.

Small Business Loans

State Bank made 176 loans (77.9%) to small businesses with revenues of \$1 million or less. The amount of loans was lower than the percentage of small businesses in the assessment area at 86.8%, but significantly higher than the aggregate of all CRA reporters' loans to small businesses at 48.4%.

The bank originated 152 loans (67.3%) for amounts less than or equal to \$100,000, compared to the aggregate of all CRA reporters at 92.1%. The bank originated 52 loans for amounts greater than \$100,000, but less than or equal to \$250,000, compared to the aggregate of all CRA reporters at 4.4%. Lastly, the bank originated 22 loans (9.7%) for loan amounts greater than \$250,000 but less than or equal to \$1,000,000, compared to the aggregate of all CRA reporters at 3.5%. Thus, the bank's lending to small businesses is considered good.

Small Farm Loans

State Bank made 194 loans (98.0%) to small farms with revenues of \$1 million dollars or less. The amount of loans is slightly less than the percentage of small farms in the assessment area at 99.2%.

The bank originated 161 small farm loans (81.3%) for amounts less than or equal to \$100,000. The bank originated 27 loans (13.6%) for amounts greater than \$100,000, but less than or equal to \$250,000. Lastly, the bank originated 10 loans (5.1%) for loan amounts greater than \$250,000, but less than or equal to \$1,000,000. Thus, the bank's lending to small farms is considered good.

Community Development Lending

During the evaluation period, State Bank originated a loan for \$2.5 million dollars in non-metropolitan Ohio to finance the construction of an in-patient hospice facility in Defiance, Ohio. The hospice serves the counties of Defiance, Henry, Paulding, Putnam, and Williams. In addition, the hospice also provides services to Fulton County, which is part of the MSA 45780. The hospice created 25 jobs for low and moderate-income individuals.

Investment Test

State Bank and Trust's performance under the investment test for non-metropolitan Ohio is adequate based on the level of investments made and the bank's responsiveness to the needs of the community. For the evaluation period, the bank made contributions totaling approximately \$38,280. Two of the contributions were made to an economic development agency that promotes the growth of small businesses by offering tax abatements to businesses located in designated areas in the community, provides free job training and business education, and manages a community improvement corporation. Two other donations were made to an organization that assists downtown revitalization efforts in Defiance by improving small business facilities. One contribution provided financial assistance to college students in financial need and the portion of one statewide donation totaling \$500 was allocated to this assessment area in the amount of \$280, which provided scholarships to low- and moderate-income students.

In addition, the bank had one statewide revenue bond from the previous examination with an unamortized balance of \$40,000. A portion of the remaining balance was allocated to this assessment area (based on the bank's percentage of deposits) in the amount of \$22,440.

Service Test

Retail Services

Retail delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment area. The bank has eight offices within the assessment area (seven in middle-income tracts and one in an upper-income tract) and two cash-only ATMs (one in a middle-income tract and one in an upper-income tract). In March 2008, the bank's East Second Street office in Defiance closed. Still, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. In addition, its services and hours do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals.

Community Development Services

The bank performed a relatively high level of community development services within this evaluation period. The following are the services that qualified for community development.

- *Bank Hosted Agricultural Seminars* – The bank hosted four agricultural seminars in Defiance and Paulding Counties that helped educate farmers on marketing and financial planning.
- *Home Buying Seminars*- The bank provided two home-buying seminars in Defiance County. These seminars were focused on affordable housing.
- *Defiance College Students in Free Enterprise Entrepreneurial Institute* – The bank participated in a forum on evaluating small businesses entitled “How Much is Your Business Worth?”

- *Defiance Area Chamber of Commerce* – A board member of the bank is a board member on the chamber of commerce, which promotes small businesses and economic development.
- *Defiance City Revolving Loan Fund* – A bank employee participates on the loan fund board, which provides funding to small businesses for job creation and economic development.
- *Defiance County Community Improvement Corporation* – A bank employee is a board member on this corporation that promotes small business development.
- *Defiance County Workforce Development Agency* – A bank employee is a board member of organization that provides job training to help low-and moderate-income individuals move toward self-sufficiency.
- *Defiance Development and Visitors Bureau* – A bank employee is a board member of the organization that promotes the restoration and preservation of Defiance-area downtown businesses.
- *Paulding Community Improvement Corporation*- A bank employee is a member of the organization that promotes industrial, economic, and civil development in Paulding County.
- *Tinora Future Farmers of America* – A bank employee taught financial management classes to farmers and the organization supports agricultural education.
- *Sight Conservation of Defiance County* – The chairman of the organization is a bank employee; the organization provides glasses, surgery, and other aid to low-and moderate-income individuals in financial need without insurance.
- *United Way of Defiance County* – Employees of the bank are on the finance committee and board for the agency that provides funding to agencies that serve LMI individuals.
- *Marimore Industries*- A member of the bank is the chairman of the finance committee for the organization that provides adult services and work opportunities for the mentally handicapped considered to be low-and moderate-income individuals.
- *New Home Development Company* – A member of the bank is a board member of the organization that renovates, constructs, and manages affordable housing for low- and moderate-income individuals.
- *PSA3 Agency on Aging* – A bank employee is the Chairman of the finance committee for the organization that provides funding to the Council on Aging. The council provides dining services to individuals based on financial need with special attention to low-income minorities.

STATE OF INDIANA

CRA Rating for Indiana: “Satisfactory”

Lending Test Rating: “Low Satisfactory”

Investment Test Rating: “Low Satisfactory”

Service Test Rating: “Low Satisfactory”

Major factors supporting the institution’s rating include:

- Lending levels reflect an adequate responsiveness to assessment area credit needs;
- The geographic distribution of loans reflects an adequate penetration throughout the assessment area;
- The distribution of borrowers reflects, given the product lines offered, an excellent penetration among customers of different income levels and businesses of different sizes;
- The bank made an adequate number of community development loans;
- The bank has an adequate level of qualified community development investments and donations;
- Delivery systems are reasonably accessible to all portions of the bank’s assessment areas;
- The record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly low- and moderate-income geographies and/or low- or moderate-income individuals; and,
- The bank provided no community development services within the evaluation period

SCOPE OF EXAMINATION

The scope of the examination for the Fort Wayne MSA is consistent with the scope of the examination for the institution. This assessment area received a full-scope review.

The bank previously had only a loan production office in the Fort Wayne MSA. On January 2, 2007, the loan production office was closed and the Fort Wayne branch was opened. Due to the short period the branch has been open, the level of community development services, investments, and lending would not be expected to be substantial. Therefore, this was taken into account when evaluating the three tests.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF INDIANA

State Bank's assessment area for the State of Indiana consists of the entirety of Allen County, which is located in the extreme northeastern portion of Indiana. Allen County is part of the Fort Wayne MSA and is the largest county in the state. The assessment area consists of 3 low-income census tracts, 29 moderate-income census tracts, 43 middle-income census tracts, 14 upper-income census-tracts and one unknown-income tract. State Bank has only one branch in the Fort Wayne MSA that was opened in 2007. The branch is located about twelve miles south of downtown Fort Wayne.

Population Characteristics

According to the 2000 U.S. Census, of the assessment area's population, 27.7% are age 17 and younger, 9.4% are age 18 to 24, 51.5% are age 25 to 64, and 11.4% are age 65 and over. According to information from the website StatsIndiana.edu,⁸ the population has increased by 10.3% from 1990 to 2000, ranking it 30th in the state by county.

Income Characteristics

Based on the 2000 U.S. Census, the median family income is \$52,661, which is slightly higher than the state of Indiana's median family income of \$50,261.

Additionally, there are 128,891 households within the assessment area, of which 86,617 (67.2%) are designated as families; 18.1% are low-income, 18.7% are moderate-income, 24.1% are middle-income, and 39.1% are upper-income. Of these, 5,792 families (6.7%) have incomes below the poverty level. The poverty level is based on income and size of the household. According to the 2000 Census for this assessment area, 7.4% of the families below the poverty level reside in low-income tracts, 60.0% reside in moderate-income tracts, 27.1% are in middle-income tracts, and 5.4% reside in upper-income tracts. According to StatsIndiana.edu, in 2006, 31,826 people received food stamps in Allen County, ranking the county third in the state for Food Stamp recipients. In addition, 23,367 people received free and reduced-fee lunches in Allen County, ranking the county third-highest in this program.

Housing Characteristics

According to the 2000 U.S. Census, there are 138,905 total housing units in the assessment area, of which 80.9% are one-to-four family units. Additionally, 65.8% of the housing units are owner-occupied, while 26.9% are rental units and 7.3% are vacant. The median age of the housing stock is 34 years, which is the same for the entire state, and the median housing value is \$87,136 in the assessment area.

The 2000 U.S. Census data revealed that 1.5% of households are located in low-income tracts,

⁸ www.stats.indiana.edu

27.2% are located in moderate-income tracts, and 50.1% are located in middle-income tracts and 21.2% in upper-income tracts. As a result, a substantial amount of the bank's mortgage lending would be expected in moderate-, middle-, and upper-income tracts.

Economic Characteristics

According to StatsIndiana.edu, manufacturing, health care and social service, government and retail trade are the largest industries in the assessment area. According to the Community Research Institute, the top five employers in Allen County are as follows: Fort Wayne Community Schools, Parkview Health Systems, Lutheran Health Network, General Motors Truck Group, and Allen County Government. In an interview with a community contact, it was indicated that Fort Wayne, the largest city in Allen County, is losing a large amount of manufacturing companies which negatively affects the population and economy of the city of Fort Wayne greatly.

According to StatsIndiana.edu, Allen County is ranked the third highest in the state for the percentage of Indiana residents in the labor force. The unemployment rates as of March 2008 (not seasonally adjusted) for Allen County and the State of Indiana are 6.4% and 5.6%.⁹ The national unemployment rate according to the Bureau of Labor and Statistics as of March 2008 is at 5.1%.

The demographic table that follows illustrates this assessment area.

⁹ www.hoosierdata.in.gov

Combined Demographics Report

State Bank and Trust Company

Analysis Year: 2006 & 2007

Assessment Area(s): MSA 23060

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	3	3.3	1,290	1.5	431	33.4	15,702	18.1
Moderate-income	29	32.2	20,418	23.6	3,474	17.0	16,195	18.7
Middle-income	43	47.8	42,476	49.0	1,572	3.7	20,864	24.1
Upper-income	14	15.6	22,433	25.9	315	1.4	33,856	39.1
Unknown-income	1	1.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	90	100.0	86,617	100.0	5,792	6.7	86,617	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	2,538	824	0.9	32.5	1,051	41.4	663	26.1
Moderate-income	39,571	18,877	20.7	47.7	16,296	41.2	4,398	11.1
Middle-income	68,381	46,923	51.3	68.6	17,559	25.7	3,899	5.7
Upper-income	28,415	24,770	27.1	87.2	2,445	8.6	1,200	4.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	138,905	91,394	100.0	65.8	37,351	26.9	10,160	7.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	176	1.5	151	1.5	23	1.7	2	0.8
Moderate-income	3,287	27.7	2,770	26.9	445	33.6	72	28.9
Middle-income	5,518	46.5	4,765	46.3	634	47.8	119	47.8
Upper-income	2,886	24.3	2,607	25.3	223	16.8	56	22.5
Unknown-income	8	0.1	7	0.1	1	0.1	0	0.0
Total Assessment Area	11,875	100.0	10,300	100.0	1,326	100.0	249	100.0
Percentage of Total Businesses:				86.7		11.2		2.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1	0.3	1	0.3	0	0.0	0	0.0
Moderate-income	7	1.8	7	1.8	0	0.0	0	0.0
Middle-income	306	80.7	306	80.7	0	0.0	0	0.0
Upper-income	65	17.2	65	17.2	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	379	100.0	379	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

There is a significant amount of competition within the Allen County market, since eighteen institutions serve the market with a total of 105 offices within the county. According to the FDIC's Deposit Market Share Report,¹⁰ statistics as of June 30, 2007, State Bank and Trust Company ranked 17th with 0.05% of the market share of deposits within Allen County. The top three institutions in market share for the county were as follows: JP Morgan Chase Bank National Association, National City Bank, and Wells Fargo Bank National Association. State Bank ranks 96th out of 326 institutions in lending share for HMDA-originated loans and 25th out of 55 institutions for CRA-originated loans. It is important to note that State Bank has only participated in this market for one year; therefore, it is understandable that its market share should be very low due to the intense competition and short time period in the area.

Community Contact

The community contact interview was conducted with a member of a non-profit organization that provides affordable housing within the bank's assessment area. The community contact indicated that the community needs help from local institutions to provide reasonable credit for affordable housing and homeownership counseling to low- and moderate-income individuals. The community contact also stated that the community needs the participation of local financial institutions to help improve blighted buildings in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF INDIANA

Lending Test

State Bank's performance on the lending test for the Fort Wayne MSA is "Low Satisfactory." Loans are poorly distributed among the different census tracts, especially to low- and moderate-income areas. Lending to low- and moderate-income borrowers and to small businesses is considered excellent. In addition, the bank originated two community development loans in this assessment area.

Lending Activity

Lending levels reflect an adequate responsiveness to credit needs throughout the assessment area. As stated previously, State Bank has only one branch in this MSA with only three individuals employed at the branch; therefore, it would be expected that State Bank would not rank very high in terms of lending share for this MSA. In fact, State Bank ranks 96th in lending share within this MSA. For the sample period, State bank originated the following number of loans in this assessment area:

- Consumer Loans – 13
- HMDA Loans – 10
- CRA Loans - 30

¹⁰ www.fdic.gov

Geographic Distribution

The geographic distribution of loans is adequate. HMDA lending is considered good, consumer lending is considered adequate, and small business lending is poor.

While information was provided for lending in 2006, only 2007 data was reviewed for lending gaps in the assessment area. Based on the 2007 data, no HMDA lending took place in the three low-income tracts, but the bank originated loans in 26 (89.7%) of 29 moderate-income tracts, 41 (95.3%) of 43 middle-income tracts, and all of the upper-income tracts. In addition, the bank had no CRA lending in a number of census tracts; specifically, the bank originated no CRA loans in the three low-income tracts, but originated loans in 26 of 29 moderate-income tracts (89.7%), 36 of 43 middle-income tracts (83.7%), and 12 of 14 upper-income tracts (85.7%). The gaps in the bank's lending are due to the short period the bank has had a branch in the Fort Wayne area; the branch has only been open since January 2, 2007.

HMDA Loans

Due to the small number of HMDA loans originated, purchases and refinances were combined for this evaluation. State Bank made no HMDA loans in low-income tracts; however, only 0.9% of the owner-occupied units are located in these tracts. The aggregate of all HMDA lenders made 0.7% of their HMDA loans in low-income geographies. Therefore, the geographic distribution of HMDA loans to low-income tracts is considered poor.

The bank originated six HMDA loans (60.0%) in moderate-income tracts, which was significantly higher than the proxy at 20.7%. The aggregate of all HMDA lenders made 19.2% of their HMDA loans in moderate-income tracts, which was significantly lower than the bank's percentage. Thus, the geographic distribution of HMDA loans to moderate-income tracts is excellent.

State Bank made originated 20.0% of its loans in each of its middle- and upper-income tracts compared to the percentage of owner-occupied units in these geographies at 51.3% and 27.1%. The aggregate of all HMDA lenders made 47.9% and 32.2% of their HMDA loans in the middle- and upper-income tracts.

Consumer Loans

Due to the small amount of consumer loans originated during the evaluation period, all consumer loans (motor vehicle, other secured, other unsecured, and home equity loans) were consolidated. State Bank made no consumer loans in low-income tracts, although 1.5% of the households reside in these tracts. Therefore, the geographic distribution for consumer loans to low-income tracts is considered poor.

The bank originated two loans (15.4%) to moderate-income tracts compared to the percentage of total households residing in these tracts at 27.2%. Therefore, State Bank's lending to moderate-income tracts was considered adequate.

State Bank originated 46.2% of its loans in middle-income geographies which was comparable to the proxy at 50.1%. In addition, State Bank originated 38.5% of its loans in upper-income tracts which exceeded the proxy of 21.2%.

Small Business Loans

State Bank made no loans to small businesses in low-income tracts, even though the percentage of businesses in these tracts is 1.5% and the aggregate of all CRA lenders who made 0.9% of their loans in these tracts. Therefore, the geographic distribution of small business loans to businesses in low-income tracts is poor.

The bank originated four loans (13.3%) to small businesses in moderate-income tracts, which was less than the percentage of businesses in these tracts at 27.7%, and aggregate lending at 22.1% in these tracts. However, because of the bank's limited presence in Fort Wayne, the geographic distribution of small loans to businesses in moderate-income tracts is adequate.

The bank made 53.3% and 33.3% of its small business loans to businesses in middle- and upper-income tracts, respectively, compared to the percentage of mall businesses in these geographies at 46.5% and 24.3%. The aggregate of all CRA lenders made 46.1% and 28.8% of their small business loans to small businesses located in the middle- and upper-income tracts.

Borrower Distribution

The borrower distribution of loans is excellent. HMDA lending to borrowers of different income levels is considered good and consumer lending and small business is considered excellent.

HMDA Loans

Due to the small amount of HMDA loans made, purchase and refinances were combined for this evaluation. The bank made one loan (10.0%) to low-income borrowers, which was less than the percentage of low-income families in the assessment area at 18.1%. The aggregate of all lenders originated 12.9% of their HMDA loans to low-income borrowers. Therefore lending to low-income borrowers is considered adequate.

The bank made two loans (20.0%) to moderate-income borrowers, which was greater than the percentage of moderate-income families in the assessment area at 18.7% and almost equal to the aggregate of all lenders at 24.5%. Therefore, the borrower distribution of HMDA loans to moderate-income borrowers is considered excellent.

The bank originated 20.0% to middle-income borrowers and 20.0% to its upper-income borrowers. In addition, 30.0% of its originated loans were made to those with incomes unknown. Therefore, the bank's lending to these borrowers was less than the proxy at 24.1% and 39.1% and the aggregate of all lenders at 21.4% and 23.3%, respectively.

Consumer Loans

Due to the small amount of consumer loans originated during the evaluation period, all consumer loans (motor vehicle, other secured, other unsecured, and home equity loans) were consolidated into one loan type.

The bank originated six loans (46.2%) to low-income borrowers, which was significantly higher than the percentage of low-income households in the assessment area at 21.4%. Therefore, the bank's borrower distribution to low-income borrowers is considered excellent.

State Bank originated two loans (15.4%) to moderate-income borrowers, which was less than the proxy at 17.7%. Therefore, the bank's lending to moderate-income borrowers is considered good.

Middle-income and upper-income borrowers received 23.1% and 15.4% of the consumer loans originated, which is comparable to the percentage of middle-income households at 20.6% and significantly less than the percentage of upper-income households at 40.4%.

Small Business Loans

The bank originated 30 loans (100.0%) to businesses with revenues of \$1 million or less, which was significantly higher than the percentage of total businesses less than or equal to \$1 million in the assessment area at 86.7%. The aggregate of all CRA reporters made 40.3% of their loans to small businesses. Thus the bank's lending to small businesses with revenues of \$1 million or less is excellent.

Community Development Lending

During the evaluation period, the bank made two community development loans in the Fort Wayne MSA totaling approximately \$3.02 million. The purpose of the first loan was provided community services for mentally handicapped and developmentally disabled persons who were also low-and moderate-income individuals that live at the group home. The other loan was to help finance commercial properties that promote jobs in the Fort Wayne Enterprise Zone, which is a special tax zone designated as a low-income area of the city. The purpose of the loan was to revitalize a low-income area, as well as promote small business development in the area. The bank has only had a branch for one year in Fort Wayne and this amount of community development lending in such a short period of time has had a positive effect on the bank's lending test rating.

Investment Test

State Bank and Trust's performance under the investment test for the Fort Wayne, Indiana assessment area is rated "Low Satisfactory." The bank has an adequate level of qualified investments that demonstrate adequate responsiveness to the needs of the community. During the evaluation period, the bank made one investment and one donation in the Fort Wayne MSA totaling \$500,250. The bank's purchase of a mortgage-backed security in the amount of \$500,000 provided funds for affordable housing in the area. In addition, a contribution for \$250 was made to a neighborhood organization that provides affordable housing and community services to low and moderate-income individuals.

Service Test

State Bank's performance under the service test is "Low Satisfactory."

Retail Services

Retail delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in its assessment area. Services do not vary in a way that inconveniences this assessment area. The bank has one office with an ATM, which is located in an upper-income tract. The bank did not close any offices within this assessment area during the evaluation period.

Community Development Services

The bank did not perform any community development services in this assessment area. The branch opened on January 2, 2007 and employed only three individuals. Therefore, it is understandable that the bank would not have had the opportunity to perform an adequate level of community services in such a short period of time with such limited resources.

APPENDIX A

SCOPE OF EXAMINATION TABLE

SCOPE OF EXAMINATION		
TIME PERIOD REVIEWED:	January 1, 2006 through December 31, 2007	
FINANCIAL INSTITUTION: The State Bank and Trust Company Defiance, OH		PRODUCTS REVIEWED: Loans reported under HMDA and CRA and consumer loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
None	None	None

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION

ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
OHIO: Toledo MSA 45780 Lima 30620 Statewide Nonmetropolitan	Full Scope Full Scope Full Scope	Luckey None None	
INDIANA: Fort Wayne MSA 23060; Allen County	Full Scope	Fort Wayne	

APPENDIX B

SUMMARY OF STATE RATINGS

State Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
State of Ohio	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
State of Indiana	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

APPENDIX C

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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, home equity 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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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 (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

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

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan 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) and the Thrift Financial Reporting (TFR) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as small business loans if the loans are reported on the TFR as non-mortgage, commercial 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.

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

APPENDIX D

CRA CORE TABLES

Bank and Peer Comparison - HMDA, Small Business & Small Farm

Assessment Area/Group: MSA 45780 & NonMSA MI

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank (2006 & 2007)			Peer (2006)		Bank (2006 & 2007)			Peer (2006)	
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	2.0%	1.1%	14	20.9%	12.3%	10.2%	6.1%
Moderate	2	3.0%	1.5%	14.2%	8.2%	18	26.9%	19.7%	23.0%	18.0%
Middle	51	76.1%	71.5%	50.7%	44.1%	15	22.4%	19.8%	22.2%	21.0%
Upper	14	20.9%	27.0%	33.1%	46.7%	17	25.4%	39.5%	30.3%	42.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	4.5%	8.6%	14.3%	12.8%
Total	67	100.0%	100.0%	100.0%	100.0%	67	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	2.5%	1.2%	6	9.4%	5.9%	8.3%	5.0%
Moderate	5	7.8%	6.0%	15.0%	9.5%	23	35.9%	29.7%	18.6%	14.6%
Middle	53	82.8%	82.7%	54.6%	50.3%	20	31.3%	31.5%	22.1%	20.6%
Upper	6	9.4%	11.3%	28.0%	39.0%	13	20.3%	28.8%	31.3%	39.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	3.1%	4.1%	19.6%	20.2%
Total	64	100.0%	100.0%	100.0%	100.0%	64	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	3.5%	2.6%	0	0.0%	0.0%	11.9%	6.9%
Moderate	0	0.0%	0.0%	18.0%	13.1%	0	0.0%	0.0%	26.0%	22.1%
Middle	0	0.0%	0.0%	54.4%	52.3%	0	0.0%	0.0%	27.4%	24.9%
Upper	0	0.0%	0.0%	24.1%	32.1%	0	0.0%	0.0%	32.4%	43.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	2.3%	3.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	HMDA Totals									
Low	0	0.0%	0.0%	2.4%	1.2%	20	15.2%	9.1%	9.4%	5.4%
Moderate	7	5.3%	3.1%	14.8%	8.8%	41	31.1%	22.4%	21.1%	15.8%
Middle	105	79.5%	77.5%	52.8%	46.9%	35	26.5%	23.2%	22.5%	20.0%
Upper	20	15.2%	19.4%	30.0%	43.0%	30	22.7%	33.1%	30.9%	39.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	4.5%	12.2%	16.1%	19.5%
Total	132	100.0%	100.0%	100.0%	100.0%	132	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS					SMALL FARM				
	By Tract Income									
Low	0	0.0%	0.0%	2.8%	2.6%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	10.4%	10.0%	0	0.0%	0.0%	0.9%	0.1%
Middle	75	73.5%	63.8%	47.2%	44.9%	34	97.1%	98.9%	89.2%	92.4%
Upper	27	26.5%	36.2%	37.7%	42.2%	1	2.9%	1.1%	8.8%	7.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	102	100.0%	100.0%	100.0%	100.0%	35	100.0%	100.0%	100.0%	100.0%
	By Revenue									
\$1 Million or Less	86	84.3%	67.0%	40.2%	41.8%	35	100.0%	100.0%	88.9%	89.6%
	By Loan Size									
\$100,000 or less	73	71.6%	25.4%	90.7%	23.9%	30	85.7%	46.6%	81.8%	39.2%
\$100,001-\$250,000	19	18.6%	29.9%	4.6%	19.2%	4	11.4%	30.1%	13.1%	32.8%
\$250,001-\$1 Million-\$500k (Farm)	10	9.8%	44.6%	4.7%	56.9%	1	2.9%	23.3%	5.1%	28.1%
Total	102	100.0%	100.0%	100.0%	100.0%	35	100.0%	100.0%	100.0%	100.0%

Loan Distribution - Consumer
Assessment Area/Group: MSA 45780 & NonMSA MI
2006 & 2007

Income Categories	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Equity							
Low	0	0.0%	0	0.0%	17	8.2%	548	5.7%
Moderate	1	0.5%	6	0.1%	45	21.7%	1,765	18.4%
Middle	179	86.5%	8,245	85.8%	61	29.5%	2,470	25.7%
Upper	27	13.0%	1,361	14.2%	78	37.7%	4,452	46.3%
Unknown	0	0.0%	0	0.0%	6	2.9%	377	3.9%
Total	207	100.0%	9,612	100.0%	207	100.0%	9,612	100.0%
	Motor Vehicle							
Low	0	0.0%	0	0.0%	41	30.8%	348	22.6%
Moderate	0	0.0%	0	0.0%	32	24.1%	355	23.1%
Middle	126	94.7%	1,464	95.2%	28	21.1%	346	22.5%
Upper	7	5.3%	74	4.8%	31	23.3%	483	31.4%
Unknown	0	0.0%	0	0.0%	1	0.8%	6	0.4%
Total	133	100.0%	1,538	100.0%	133	100.0%	1,538	100.0%
	Other - Secured							
Low	0	0.0%	0	0.0%	12	21.8%	112	19.8%
Moderate	3	5.5%	39	6.9%	16	29.1%	138	24.4%
Middle	46	83.6%	470	83.0%	10	18.2%	113	20.0%
Upper	6	10.9%	57	10.1%	15	27.3%	188	33.2%
Unknown	0	0.0%	0	0.0%	2	3.6%	15	2.7%
Total	55	100.0%	566	100.0%	55	100.0%	566	100.0%
	Other - Unsecured							
Low	0	0.0%	0	0.0%	9	30.0%	48	30.0%
Moderate	2	6.7%	13	8.1%	8	26.7%	28	17.5%
Middle	27	90.0%	144	90.0%	6	20.0%	41	25.6%
Upper	1	3.3%	3	1.9%	7	23.3%	43	26.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	30	100.0%	160	100.0%	30	100.0%	160	100.0%
	Consumer Totals							
Low	0	0.0%	0	0.0%	79	18.6%	1,056	8.9%
Moderate	6	1.4%	58	0.5%	101	23.8%	2,286	19.2%
Middle	378	88.9%	10,323	86.9%	105	24.7%	2,970	25.0%
Upper	41	9.6%	1,495	12.6%	131	30.8%	5,166	43.5%
Unknown	0	0.0%	0	0.0%	9	2.1%	398	3.4%
Total	425	100.0%	11,876	100.0%	425	100.0%	11,876	100.0%

Bank and Peer Comparison - HMDA, Small Business & Small Farm
Assessment Area/Group: MSA 30620

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank (2006 & 2007)		Peer (2006)			Bank (2006 & 2007)		Peer (2006)		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	2	3.3%	2.8%	1.4%	0.6%	10	16.4%	10.2%	11.0%	7.1%
Moderate	14	23.0%	11.0%	19.3%	12.9%	11	18.0%	12.7%	23.1%	17.9%
Middle	31	50.8%	56.7%	53.1%	49.6%	13	21.3%	17.2%	23.4%	21.7%
Upper	14	23.0%	29.5%	26.2%	36.9%	22	36.1%	53.7%	26.9%	39.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	8.2%	6.3%	15.5%	14.1%
Total	61	100.0%	100.0%	100.0%	100.0%	61	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	2	3.2%	1.2%	2.0%	1.1%	9	14.3%	8.0%	10.3%	6.7%
Moderate	10	15.9%	30.0%	20.5%	13.4%	4	6.3%	3.2%	19.1%	14.8%
Middle	30	47.6%	30.9%	55.5%	58.5%	9	14.3%	7.8%	24.3%	23.8%
Upper	21	33.3%	37.9%	21.9%	27.0%	32	50.8%	64.5%	30.0%	39.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	9	14.3%	16.6%	16.3%	15.3%
Total	63	100.0%	100.0%	100.0%	100.0%	63	100.0%	100.0%	100.0%	100.0%
	HMDA Totals									
Low	4	3.2%	1.9%	1.8%	0.9%	19	15.3%	8.9%	10.4%	6.7%
Moderate	24	19.4%	22.3%	20.1%	14.2%	15	12.1%	7.0%	21.0%	16.1%
Middle	61	49.2%	41.3%	54.3%	53.3%	22	17.7%	11.6%	24.2%	22.4%
Upper	35	28.2%	34.5%	23.8%	31.6%	54	43.5%	60.1%	29.5%	38.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	14	11.3%	12.4%	15.0%	15.9%
Total	124	100.0%	100.0%	100.0%	100.0%	124	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS					SMALL FARM				
	By Tract Income									
Low	1	1.2%	0.3%	6.2%	6.3%	0	0.0%	0.0%	1.2%	0.4%
Moderate	10	11.8%	16.6%	17.3%	21.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	47	55.3%	50.0%	51.1%	48.4%	0	0.0%	0.0%	77.6%	73.9%
Upper	27	31.8%	33.0%	23.8%	24.0%	0	0.0%	0.0%	21.2%	25.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	85	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	By Revenue									
\$1 Million or Less	83	97.6%	94.1%	35.0%	39.9%	0	0.0%	0.0%	84.7%	85.9%
	By Loan Size									
\$100,000 or less	48	56.5%	17.0%	93.8%	34.0%	0	0.0%	0.0%	91.8%	59.3%
\$100,001-\$250,000	23	27.1%	31.0%	3.5%	18.9%	0	0.0%	0.0%	7.1%	30.9%
\$250,001-\$1 Million-\$500k (Farm)	14	16.5%	51.9%	2.7%	47.1%	0	0.0%	0.0%	1.2%	9.8%
Total	85	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%

Loan Distribution - Consumer
Assessment Area/Group: MSA 30620
2006 & 2007

Income Categories	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Equity								
Low	0	0.0%	0	0.0%	11	12.4%	201	6.4%
Moderate	13	14.6%	328	10.4%	17	19.1%	301	9.5%
Middle	44	49.4%	1,274	40.3%	15	16.9%	577	18.2%
Upper	32	36.0%	1,561	49.4%	43	48.3%	1,954	61.8%
Unknown	0	0.0%	0	0.0%	3	3.4%	130	4.1%
Total	89	100.0%	3,163	100.0%	89	100.0%	3,163	100.0%
Motor Vehicle								
Low	0	0.0%	0	0.0%	12	22.6%	120	17.9%
Moderate	5	9.4%	40	6.0%	13	24.5%	134	20.0%
Middle	30	56.6%	354	52.8%	13	24.5%	125	18.6%
Upper	18	34.0%	277	41.3%	11	20.8%	231	34.4%
Unknown	0	0.0%	0	0.0%	4	7.5%	61	9.1%
Total	53	100.0%	671	100.0%	53	100.0%	671	100.0%
Other - Secured								
Low	1	6.7%	18	5.3%	2	13.3%	17	5.0%
Moderate	1	6.7%	11	3.2%	4	26.7%	101	29.6%
Middle	10	66.7%	227	66.6%	4	26.7%	108	31.7%
Upper	3	20.0%	85	24.9%	4	26.7%	88	25.8%
Unknown	0	0.0%	0	0.0%	1	6.7%	27	7.9%
Total	15	100.0%	341	100.0%	15	100.0%	341	100.0%
Other - Unsecured								
Low	0	0.0%	0	0.0%	2	50.0%	5	55.6%
Moderate	1	25.0%	2	22.2%	2	50.0%	4	44.4%
Middle	2	50.0%	5	55.6%	0	0.0%	0	0.0%
Upper	1	25.0%	2	22.2%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	4	100.0%	9	100.0%	4	100.0%	9	100.0%
Consumer Totals								
Low	1	0.6%	18	0.4%	27	16.8%	343	8.2%
Moderate	20	12.4%	381	9.1%	36	22.4%	540	12.9%
Middle	86	53.4%	1,860	44.5%	32	19.9%	810	19.4%
Upper	54	33.5%	1,925	46.0%	58	36.0%	2,273	54.3%
Unknown	0	0.0%	0	0.0%	8	5.0%	218	5.2%
Total	161	100.0%	4,184	100.0%	161	100.0%	4,184	100.0%

Bank and Peer Comparison - HMDA, Small Business & Small Farm

Assessment Area/Group: Non-MSA OH

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank (2006 & 2007)			Peer (2006)		Bank (2006 & 2007)			Peer (2006)	
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	13	15.7%	6.4%	10.1%	7.1%
Moderate	0	0.0%	0.0%	0.0%	0.0%	19	22.9%	14.3%	22.9%	18.3%
Middle	50	60.2%	49.4%	70.9%	66.2%	11	13.3%	8.3%	26.2%	25.5%
Upper	33	39.8%	50.6%	29.1%	33.8%	34	41.0%	62.4%	26.5%	36.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	7.2%	8.5%	14.4%	12.8%
Total	83	100.0%	100.0%	100.0%	100.0%	83	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	5	5.1%	1.9%	5.8%	3.9%
Moderate	0	0.0%	0.0%	0.0%	0.0%	19	19.2%	8.2%	17.4%	14.0%
Middle	61	61.6%	45.9%	74.9%	72.3%	26	26.3%	17.0%	28.0%	25.6%
Upper	38	38.4%	54.1%	25.1%	27.7%	39	39.4%	44.0%	32.8%	40.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	10	10.1%	28.9%	16.0%	15.8%
Total	99	100.0%	100.0%	100.0%	100.0%	99	100.0%	100.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	7.7%	5.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	23.2%	16.8%
Middle	0	0.0%	0.0%	68.9%	69.0%	0	0.0%	0.0%	26.7%	23.0%
Upper	0	0.0%	0.0%	31.1%	31.0%	0	0.0%	0.0%	40.9%	52.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.5%	2.1%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	18	9.9%	3.6%	7.8%	5.4%
Moderate	0	0.0%	0.0%	0.0%	0.0%	38	20.9%	10.5%	20.3%	15.9%
Middle	111	61.0%	47.2%	72.6%	69.3%	37	20.3%	13.7%	27.0%	25.2%
Upper	71	39.0%	52.8%	27.4%	30.7%	73	40.1%	51.0%	30.9%	38.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	16	8.8%	21.2%	13.9%	14.7%
Total	182	100.0%	100.0%	100.0%	100.0%	182	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS					SMALL FARM				
	By Tract Income									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	138	61.1%	62.8%	68.4%	68.8%	169	85.4%	86.4%	0.0%	0.0%
Upper	88	38.9%	37.2%	27.4%	30.4%	29	14.6%	13.6%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	226	100.0%	100.0%	100.0%	100.0%	198	100.0%	100.0%	0.0%	0.0%
	By Revenue									
\$1 Million or Less	176	77.9%	58.4%	48.4%	54.0%	194	98.0%	95.5%	0.0%	0.0%
	By Loan Size									
\$100,000 or less	152	67.3%	25.3%	92.1%	32.5%	161	81.3%	43.3%	0.0%	0.0%
\$100,001-\$250,000	52	23.0%	33.3%	4.4%	19.9%	27	13.6%	29.4%	0.0%	0.0%
\$250,001-\$1 Million-\$500k (Farm)	22	9.7%	41.4%	3.5%	47.6%	10	5.1%	27.3%	0.0%	0.0%
Total	226	100.0%	100.0%	100.0%	100.0%	198	100.0%	100.0%	0.0%	0.0%

Loan Distribution - Consumer
Assessment Area/Group: Non-MSA OH
2006 & 2007

Income Categories	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Equity								
Low	0	0.0%	0	0.0%	22	6.0%	479	3.3%
Moderate	0	0.0%	0	0.0%	55	15.1%	1,696	11.5%
Middle	237	65.1%	8,360	56.8%	102	28.0%	4,320	29.3%
Upper	127	34.9%	6,370	43.2%	156	42.9%	7,140	48.5%
Unknown	0	0.0%	0	0.0%	29	8.0%	1,095	7.4%
Total	364	100.0%	14,730	100.0%	364	100.0%	14,730	100.0%
Motor Vehicle								
Low	0	0.0%	0	0.0%	85	20.2%	717	14.0%
Moderate	0	0.0%	0	0.0%	95	22.6%	1,064	20.8%
Middle	280	66.5%	3,195	62.5%	105	24.9%	1,309	25.6%
Upper	141	33.5%	1,921	37.5%	116	27.6%	1,737	34.0%
Unknown	0	0.0%	0	0.0%	20	4.8%	289	5.6%
Total	421	100.0%	5,116	100.0%	421	100.0%	5,116	100.0%
Other - Secured								
Low	0	0.0%	0	0.0%	28	18.9%	212	15.2%
Moderate	0	0.0%	0	0.0%	38	25.7%	345	24.7%
Middle	108	73.0%	999	71.5%	36	24.3%	379	27.1%
Upper	40	27.0%	399	28.5%	34	23.0%	372	26.6%
Unknown	0	0.0%	0	0.0%	12	8.1%	90	6.4%
Total	148	100.0%	1,398	100.0%	148	100.0%	1,398	100.0%
Other - Unsecured								
Low	0	0.0%	0	0.0%	8	17.4%	33	12.7%
Moderate	0	0.0%	0	0.0%	11	23.9%	54	20.8%
Middle	28	60.9%	112	43.2%	15	32.6%	60	23.2%
Upper	18	39.1%	147	56.8%	11	23.9%	107	41.3%
Unknown	0	0.0%	0	0.0%	1	2.2%	5	1.9%
Total	46	100.0%	259	100.0%	46	100.0%	259	100.0%
Consumer Totals								
Low	0	0.0%	0	0.0%	143	14.6%	1,441	6.7%
Moderate	0	0.0%	0	0.0%	199	20.3%	3,159	14.7%
Middle	653	66.7%	12,666	58.9%	258	26.4%	6,068	28.2%
Upper	326	33.3%	8,837	41.1%	317	32.4%	9,356	43.5%
Unknown	0	0.0%	0	0.0%	62	6.3%	1,479	6.9%
Total	979	100.0%	21,503	100.0%	979	100.0%	21,503	100.0%

Bank and Peer Comparison - HMDA, Small Business & Small Farm

Assessment Area/Group: All OH

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank (2006 & 2007)			Peer (2006)		Bank (2006 & 2007)			Peer (2006)	
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	1	0.6%	0.1%	1.7%	0.9%	31	17.4%	9.0%	10.3%	6.4%
Moderate	9	5.1%	2.4%	12.7%	7.7%	41	23.0%	15.0%	23.0%	18.0%
Middle	114	64.0%	60.7%	53.5%	47.0%	32	18.0%	14.0%	22.8%	21.5%
Upper	54	30.3%	36.7%	32.0%	44.4%	61	34.3%	50.0%	29.5%	41.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	13	7.3%	12.1%	14.4%	12.9%
Total	178	100.0%	100.0%	100.0%	100.0%	178	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	2.1%	1.1%	18	9.1%	4.8%	8.1%	5.0%
Moderate	13	6.6%	11.0%	13.5%	8.6%	46	23.4%	13.1%	18.5%	14.5%
Middle	132	67.0%	52.3%	57.3%	53.7%	49	24.9%	17.2%	23.2%	21.6%
Upper	52	26.4%	36.7%	27.1%	36.6%	70	35.5%	45.3%	31.4%	39.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	14	7.1%	19.6%	18.7%	19.1%
Total	197	100.0%	100.0%	100.0%	100.0%	197	100.0%	100.0%	100.0%	100.0%
	HMDA Totals									
Low	1	0.3%	0.1%	2.0%	1.0%	49	13.1%	6.7%	9.3%	5.5%
Moderate	22	5.9%	7.1%	13.3%	8.3%	87	23.2%	13.9%	21.0%	15.8%
Middle	246	65.6%	56.1%	55.6%	50.0%	81	21.6%	15.8%	23.3%	20.9%
Upper	106	28.3%	36.7%	29.2%	40.7%	131	34.9%	47.4%	30.8%	39.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	27	7.2%	16.2%	15.7%	18.6%
Total	375	100.0%	100.0%	100.0%	100.0%	375	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS					SMALL FARM				
	By Tract Income									
Low	0	0.0%	0.0%	2.8%	2.6%	0	0.0%	0.0%	0.1%	0.0%
Moderate	9	2.4%	3.0%	9.5%	9.5%	0	0.0%	0.0%	0.3%	0.0%
Middle	234	61.6%	59.0%	51.0%	48.7%	188	86.2%	86.8%	81.8%	85.3%
Upper	137	36.1%	38.0%	34.5%	38.8%	30	13.8%	13.2%	17.1%	14.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	380	100.0%	100.0%	100.0%	100.0%	218	100.0%	100.0%	100.0%	100.0%
	By Revenue									
\$1 Million or Less	313	82.4%	67.1%	40.9%	43.4%	214	98.2%	95.7%	91.3%	91.6%
	By Loan Size									
\$100,000 or less	251	66.1%	23.4%	91.3%	26.1%	180	82.6%	44.5%	82.3%	40.5%
\$100,001-\$250,000	89	23.4%	32.9%	4.5%	19.3%	28	12.8%	29.3%	13.4%	35.5%
\$250,001-\$1 Million-\$500k (Farm)	40	10.5%	43.7%	4.3%	54.6%	10	4.6%	26.2%	4.4%	24.0%
Total	380	100.0%	100.0%	100.0%	100.0%	218	100.0%	100.0%	100.0%	100.0%

Loan Distribution - Consumer
Assessment Area/Group: All OH
2006 & 2007

Income Categories	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Equity								
Low	0	0.0%	0	0.0%	47	7.8%	1,170	4.7%
Moderate	9	1.5%	220	0.9%	108	17.9%	3,419	13.7%
Middle	429	70.9%	16,504	66.3%	167	27.6%	6,893	27.7%
Upper	167	27.6%	8,178	32.8%	247	40.8%	11,928	47.9%
Unknown	0	0.0%	0	0.0%	36	6.0%	1,492	6.0%
Total	605	100.0%	24,902	100.0%	605	100.0%	24,902	100.0%
Motor Vehicle								
Low	0	0.0%	0	0.0%	131	22.5%	1,135	16.2%
Moderate	3	0.5%	31	0.4%	136	23.3%	1,499	21.4%
Middle	419	71.9%	4,827	68.8%	143	24.5%	1,764	25.1%
Upper	161	27.6%	2,156	30.7%	151	25.9%	2,291	32.7%
Unknown	0	0.0%	0	0.0%	22	3.8%	325	4.6%
Total	583	100.0%	7,014	100.0%	583	100.0%	7,014	100.0%
Other - Secured								
Low	0	0.0%	0	0.0%	40	20.0%	314	16.1%
Moderate	3	1.5%	39	2.0%	54	27.0%	517	26.5%
Middle	151	75.5%	1,459	74.7%	45	22.5%	487	24.9%
Upper	46	23.0%	456	23.3%	47	23.5%	531	27.2%
Unknown	0	0.0%	0	0.0%	14	7.0%	105	5.4%
Total	200	100.0%	1,954	100.0%	200	100.0%	1,954	100.0%
Other - Unsecured								
Low	0	0.0%	0	0.0%	18	23.4%	83	19.7%
Moderate	3	3.9%	15	3.6%	19	24.7%	82	19.5%
Middle	55	71.4%	256	60.8%	21	27.3%	101	24.0%
Upper	19	24.7%	150	35.6%	18	23.4%	150	35.6%
Unknown	0	0.0%	0	0.0%	1	1.3%	5	1.2%
Total	77	100.0%	421	100.0%	77	100.0%	421	100.0%
Consumer Totals								
Low	0	0.0%	0	0.0%	236	16.1%	2,702	7.9%
Moderate	18	1.2%	305	0.9%	317	21.6%	5,517	16.1%
Middle	1,054	71.9%	23,046	67.2%	376	25.7%	9,245	27.0%
Upper	393	26.8%	10,940	31.9%	463	31.6%	14,900	43.5%
Unknown	0	0.0%	0	0.0%	73	5.0%	1,927	5.6%
Total	1,465	100.0%	34,291	100.0%	1,465	100.0%	34,291	100.0%

Bank and Peer Comparison - HMDA, Small Business & Small Farm

Assessment Area/Group: MSA 23060

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank (2006 & 2007)			Peer (2006)		Bank (2006 & 2007)			Peer (2006)	
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.6%	0.3%	0	0.0%	0.0%	13.2%	8.7%
Moderate	1	33.3%	32.4%	18.6%	11.0%	1	33.3%	59.9%	25.5%	21.1%
Middle	0	0.0%	0.0%	47.0%	42.4%	1	33.3%	32.4%	21.2%	21.5%
Upper	2	66.7%	67.6%	33.8%	46.3%	1	33.3%	7.7%	21.8%	31.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	18.3%	16.9%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.8%	0.4%	1	14.3%	5.1%	12.1%	7.9%
Moderate	5	71.4%	90.7%	20.2%	12.4%	1	14.3%	3.5%	22.9%	18.2%
Middle	2	28.6%	9.3%	48.6%	44.2%	1	14.3%	2.7%	21.0%	20.1%
Upper	0	0.0%	0.0%	30.5%	43.0%	1	14.3%	5.8%	24.8%	34.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	42.9%	82.9%	19.3%	19.0%
Total	7	100.0%	100.0%	100.0%	100.0%	7	100.0%	100.0%	100.0%	100.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.7%	0.4%	1	10.0%	4.5%	12.9%	8.1%
Moderate	6	60.0%	83.9%	19.2%	12.1%	2	20.0%	10.0%	24.5%	19.3%
Middle	2	20.0%	8.2%	47.9%	43.9%	2	20.0%	6.2%	21.4%	20.2%
Upper	2	20.0%	7.8%	32.2%	43.6%	2	20.0%	6.0%	23.3%	32.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	30.0%	73.3%	17.9%	20.4%
Total	10	100.0%	100.0%	100.0%	100.0%	10	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS					SMALL FARM				
	By Tract Income									
Low	0	0.0%	0.0%	0.9%	1.1%	0	0.0%	0.0%	0.7%	0.0%
Moderate	4	13.3%	9.7%	22.1%	26.5%	0	0.0%	0.0%	0.7%	0.1%
Middle	16	53.3%	49.3%	46.1%	45.6%	6	100.0%	100.0%	82.7%	93.7%
Upper	10	33.3%	41.0%	28.8%	25.6%	0	0.0%	0.0%	15.8%	6.2%
Unknown	0	0.0%	0.0%	0.1%	0.1%	0	0.0%	0.0%	0.0%	0.0%
Total	30	100.0%	100.0%	100.0%	100.0%	6	100.0%	100.0%	100.0%	100.0%
	By Revenue									
\$1 Million or Less	30	100.0%	100.0%	40.3%	40.9%	6	100.0%	100.0%	69.8%	65.9%
	By Loan Size									
\$100,000 or less	15	50.0%	20.0%	94.1%	33.4%	6	100.0%	100.0%	74.1%	33.4%
\$100,001-\$250,000	12	40.0%	49.3%	2.6%	14.1%	0	0.0%	0.0%	19.4%	36.0%
\$250,001-\$1 Million-\$500k (Farm)	3	10.0%	30.7%	3.3%	52.5%	0	0.0%	0.0%	6.5%	30.6%
Total	30	100.0%	100.0%	100.0%	100.0%	6	100.0%	100.0%	100.0%	100.0%

Loan Distribution - Consumer
Assessment Area/Group: MSA 23060
2006 & 2007

Income Categories	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Equity								
Low	0	0.0%	0	0.0%	2	66.7%	60	61.2%
Moderate	0	0.0%	0	0.0%	1	33.3%	38	38.8%
Middle	2	66.7%	78	79.6%	0	0.0%	0	0.0%
Upper	1	33.3%	20	20.4%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	98	100.0%	3	100.0%	98	100.0%
Motor Vehicle								
Low	0	0.0%	0	0.0%	2	25.0%	28	36.4%
Moderate	1	12.5%	8	10.4%	1	12.5%	4	5.2%
Middle	3	37.5%	18	23.4%	3	37.5%	31	40.3%
Upper	4	50.0%	51	66.2%	2	25.0%	14	18.2%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	8	100.0%	77	100.0%	8	100.0%	77	100.0%
Other - Secured								
Low	0	0.0%	0	0.0%	1	100.0%	3	100.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	3	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	3	100.0%	1	100.0%	3	100.0%
Other - Unsecured								
Low	0	0.0%	0	0.0%	1	100.0%	2	100.0%
Moderate	1	100.0%	2	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	2	100.0%	1	100.0%	2	100.0%
Consumer Totals								
Low	0	0.0%	0	0.0%	6	46.2%	93	51.7%
Moderate	2	15.4%	10	5.6%	2	15.4%	42	23.3%
Middle	6	46.2%	99	55.0%	3	23.1%	31	17.2%
Upper	5	38.5%	71	39.4%	2	15.4%	14	7.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	13	100.0%	180	100.0%	13	100.0%	180	100.0%

Bank and Peer Comparison - HMDA, Small Business & Small Farm

Assessment Area/Group: Overall

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank (2006 & 2007)			Peer (2006)		Bank (2006 & 2007)			Peer (2006)	
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
	Home Purchase									
Low	2	0.9%	0.7%	1.3%	0.7%	37	17.2%	9.2%	11.4%	7.2%
Moderate	17	7.9%	3.7%	14.9%	8.9%	49	22.8%	15.7%	24.0%	19.1%
Middle	133	61.9%	60.6%	51.2%	45.5%	40	18.6%	14.6%	22.2%	21.5%
Upper	63	29.3%	35.0%	32.5%	44.9%	74	34.4%	49.2%	26.5%	37.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	15	7.0%	11.3%	15.9%	14.4%
Total	215	100.0%	100.0%	100.0%	100.0%	215	100.0%	100.0%	100.0%	100.0%
	Refinance									
Low	2	0.9%	0.4%	1.7%	0.9%	21	9.0%	4.7%	9.2%	5.8%
Moderate	20	8.6%	15.2%	15.2%	9.5%	47	20.2%	10.7%	19.7%	15.5%
Middle	146	62.7%	46.7%	55.3%	51.5%	56	24.0%	16.3%	22.6%	21.2%
Upper	65	27.9%	37.8%	27.8%	38.0%	85	36.5%	45.2%	29.6%	38.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	24	10.3%	23.1%	18.9%	19.1%
Total	233	100.0%	100.0%	100.0%	100.0%	233	100.0%	100.0%	100.0%	100.0%
	HMDA Totals									
Low	4	0.9%	0.5%	1.6%	0.8%	58	12.9%	6.7%	10.4%	6.3%
Moderate	37	8.3%	10.0%	15.1%	9.5%	96	21.4%	12.9%	22.1%	16.9%
Middle	279	62.3%	52.9%	53.3%	48.3%	96	21.4%	15.5%	22.7%	20.7%
Upper	128	28.6%	36.6%	30.0%	41.4%	159	35.5%	46.9%	28.3%	36.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	39	8.7%	17.9%	16.4%	19.1%
Total	448	100.0%	100.0%	100.0%	100.0%	448	100.0%	100.0%	100.0%	100.0%
	SMALL BUSINESS					SMALL FARM				
	By Tract Income									
Low	1	0.2%	0.1%	2.2%	2.2%	0	0.0%	0.0%	0.2%	0.0%
Moderate	14	3.2%	4.5%	13.5%	14.1%	0	0.0%	0.0%	0.4%	0.0%
Middle	276	62.3%	59.1%	49.6%	48.0%	209	87.4%	87.8%	82.1%	86.5%
Upper	152	34.3%	36.3%	32.6%	35.2%	30	12.6%	12.2%	16.8%	13.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	443	100.0%	100.0%	100.0%	100.0%	239	100.0%	100.0%	100.0%	100.0%
	By Revenue									
\$1 Million or Less	375	84.7%	71.5%	40.7%	42.8%	235	98.3%	96.0%	88.8%	88.1%
	By Loan Size									
\$100,000 or less	288	65.0%	23.1%	92.2%	28.1%	197	82.4%	44.2%	81.4%	39.6%
\$100,001-\$250,000	106	23.9%	33.3%	3.9%	17.9%	31	13.0%	29.2%	14.1%	35.6%
\$250,001-\$1 Million-\$500k (Farm)	49	11.1%	43.7%	4.0%	54.0%	11	4.6%	26.6%	4.6%	24.8%
Total	443	100.0%	100.0%	100.0%	100.0%	239	100.0%	100.0%	100.0%	100.0%

Loan Distribution - Consumer
Assessment Area/Group: Overall
2006 & 2007

Income Categories	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Equity								
Low	0	0.0%	0	0.0%	52	7.8%	1,288	4.7%
Moderate	14	2.1%	334	1.2%	118	17.8%	3,800	13.8%
Middle	462	69.7%	17,957	65.1%	178	26.8%	7,367	26.7%
Upper	187	28.2%	9,312	33.7%	277	41.8%	13,546	49.1%
Unknown	0	0.0%	0	0.0%	38	5.7%	1,602	5.8%
Total	663	100.0%	27,603	100.0%	663	100.0%	27,603	100.0%
Motor Vehicle								
Low	0	0.0%	0	0.0%	140	22.8%	1,213	16.4%
Moderate	6	1.0%	48	0.6%	141	22.9%	1,557	21.0%
Middle	439	71.4%	5,031	68.0%	149	24.2%	1,811	24.5%
Upper	170	27.6%	2,323	31.4%	160	26.0%	2,465	33.3%
Unknown	0	0.0%	0	0.0%	25	4.1%	356	4.8%
Total	615	100.0%	7,402	100.0%	615	100.0%	7,402	100.0%
Other - Secured								
Low	1	0.5%	18	0.8%	43	19.6%	344	14.9%
Moderate	4	1.8%	50	2.2%	58	26.5%	584	25.3%
Middle	165	75.3%	1,699	73.6%	50	22.8%	600	26.0%
Upper	49	22.4%	541	23.4%	53	24.2%	648	28.1%
Unknown	0	0.0%	0	0.0%	15	6.8%	132	5.7%
Total	219	100.0%	2,308	100.0%	219	100.0%	2,308	100.0%
Other - Unsecured								
Low	0	0.0%	0	0.0%	20	24.7%	88	20.5%
Moderate	4	4.9%	17	4.0%	21	25.9%	86	20.0%
Middle	57	70.4%	261	60.7%	21	25.9%	101	23.5%
Upper	20	24.7%	152	35.3%	18	22.2%	150	34.9%
Unknown	0	0.0%	0	0.0%	1	1.2%	5	1.2%
Total	81	100.0%	430	100.0%	81	100.0%	430	100.0%
Consumer Totals								
Low	1	0.1%	18	0.0%	255	16.2%	2,933	7.8%
Moderate	28	1.8%	449	1.2%	338	21.4%	6,027	16.0%
Middle	1,123	71.2%	24,948	66.1%	398	25.2%	9,879	26.2%
Upper	426	27.0%	12,328	32.7%	508	32.2%	16,809	44.5%
Unknown	0	0.0%	0	0.0%	79	5.0%	2,095	5.6%
Total	1,578	100.0%	37,743	100.0%	1,578	100.0%	37,743	100.0%

APPENDIX E

ASSESSMENT AREA MAP

State Bank and Trust Company
Assessment Area: Overall

