

PUBLIC DISCLOSURE

March 17, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Minster Bank
RSSD: 604024

95 West 4th Street
P.O. Box 90
Minster, Ohio 45865

Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, Ohio 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: This institution is rated Satisfactory.

Major factors contributing to this rating include:

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

The previous CRA evaluation conducted January 13, 2003 resulted in a rating of "Outstanding."

SCOPE OF EXAMINATION

The evaluation of Minster Bank (“Minster”) Community Reinvestment Act (“CRA”) performance covered the period January 1, 2007 through December 31, 2007. The lending test was applied in assessing the bank’s performance under CRA, pursuant to the Interagency Procedures and Guidelines for Small Institutions.

The lending test includes an analysis of:

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

The loan products evaluated under the lending test include home-purchase and refinance loans referred to collectively as Home Mortgage Disclosure Act (“HMDA”) loans. HMDA-type loans also include home-improvement and multi-family loans; however, there were not enough loans available in these categories to conduct a meaningful analysis and therefore were not considered during this evaluation. Consumer loans are also being evaluated under the lending test and consist of home equity, other-secured, and other-unsecured loans. Lastly, qualified small business loans will also be evaluated under the lending test for this evaluation period. There were not enough small farm loans to conduct a meaningful analysis and therefore were not considered during this evaluation.

For purposes of evaluating the geographic distribution of loans, census tracts were classified on the basis of 2000 U.S. Census data. The distribution of loans to borrowers of different income levels was based upon annually adjusted median family income data made available by the U.S. Department of Housing and Urban Development (“HUD”). The most recent year for which median family income data is available is 2007. All other demographic indices and statistics presented throughout this evaluation are based on 2000 U.S. Census data unless otherwise noted.

Loans were evaluated to determine the lending activity inside and outside the bank’s assessment area. In addition, loans inside the assessment area were evaluated on the geographic and borrower income distribution for each assessment area. The bank’s 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 bank’s consumer loans was assessed by comparing the percentage of loans made within the assessment area’s census tracts (low-, moderate-, middle-, and upper-income) to the total percentage of households by income within the bank’s census tracts. Small business loans were compared to the percentage of businesses within each geographic income category, regardless of revenue size of the business.

The bank’s 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. The bank's consumer loans was assessed by comparing the percentage of loans made to households in each income category (low-, moderate-, middle-, and upper-income) to the percentage of households in each income category. Poverty level is determined by both income and family size. Generally, a larger proportion of poverty level families are in the low-income category, and to a certain extent, the moderate-income category. Borrowers at poverty level often do not qualify for real-estate loans, so the percentage of families below poverty level was considered when evaluating lending performance to low- and moderate-income borrowers.

For purposes of CRA, Minster's market consists of two assessment areas within the State of Ohio. The first assessment area is located in the non-metropolitan area and was reviewed by using the full scope examination procedures since the majority of the bank's lending and operations are in this assessment area. The second assessment area consists of a single county within the Dayton Metropolitan Area ("MSA") and was reviewed by using the limited scope examination procedures. Lastly, the borrower analysis received the greatest weight when rating the bank's overall CRA performance because there are only three moderate-income tracts within the bank's entire market.

HMDA loans were reviewed and received the most weight representing 31% of the loans originated with 48% of the total dollars loaned within the bank's entire assessment area during this evaluation period. Small business loans ranked second in weight comprising 23% of loans made and 40% of the total dollars; and although consumer loans comprised 46% of the loans originated, they represented only 12% of the total dollars within the bank's assessment area during this evaluation period and, therefore, received the least weight when rating the bank's CRA performance.

The bank's assessment area was determined to comply with the requirements of the Community Reinvestment Act and does 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.

DESCRIPTION OF INSTITUTION

Minster is the sole subsidiary of Minster Financial Corporation, a financial holding company, headquartered in Minster, Ohio. As of December 31, 2007, the holding company had total consolidated assets of \$23.3 million. There are no other subsidiaries under the holding company of the bank.

As of December 31, 2007, Minster had total assets of \$258 million, of which \$165 million (64.3%) represents loans; and \$72 million (28.7%) represents investments comprised of U.S. Treasury and Agency securities, municipal securities, and other types of securities and assets. Loans secured by real estate comprise approximately 79% of the institution's loan portfolio, of which 30.8% was secured by 1-4 family residential real estate. The remainder of Minster's loan portfolio consists of 2.6% agricultural loans, 3.7% consumer loans, 6.4% home equity loans, and 13.5% commercial and industrial loans.

Minster is a full-service retail bank within the State of Ohio, which serves the entirety of Auglaize, Mercer, Miami, and Shelby Counties, and portions of Darke County. The bank's main office is in the city of Minster, which is located in Auglaize County. In addition to the main office, the bank operates six full-service branch offices. Four of the branch offices are also located in Auglaize County in the cities of Minster, New Bremen, St. Marys, and Wapakoneta. The fifth branch office is located in Shelby County in the city of Sidney; and the sixth branch office, which opened since the previous evaluation period in June 2006, is located in the city of Troy in Miami County, which is part of the Dayton MSA. All of the branch offices, including the main office, have a 24-hour, full-service automated teller machine or ATM.

The bank offers a variety of retail and commercial banking products and services, including consumer, residential mortgage and commercial loans. Also, Minster offers a variety of deposit products that include the following: free checking, interest-bearing checking, non-interest bearing checking, investment savings, regular savings, health savings (tax-free savings for future medical expenses), and holiday savings accounts. They also offer a variety of certificates of deposit products, including IRAs, Roth, educational, and traditional CDs. Other services offered by Minster include online banking and Bill Pay, telephone banking, VISA™ check cards and credit cards, overdraft protection, automatic transfers, and direct deposit.

As stated earlier, Minster has two assessment areas within the State of Ohio. The first assessment area is located in the non-metropolitan area and is comprised of the entirety of Auglaize, Mercer, and Shelby Counties, and the northeastern portions of Darke County. During the previous evaluation, Auglaize County was considered part of the Lima Metropolitan Area until 2004 when the census were changed and Auglaize County became part of Ohio's non-metropolitan area. The second assessment area consists of the entirety of Miami County which is part of the Dayton Metropolitan Area ("MSA").

Description of Bank's Entire Assessment Area

For purposes of CRA, Minster has designated the entirety of Auglaize, Mercer, and Shelby Counties and portions of Darke County within the non-metropolitan area and all of Miami County within the Dayton MSA as its assessment area. The entire assessment area is within the State of Ohio. There are a total of 55 census tracts, which consists of no low-income tracts, 3 moderate-income tracts, 38 middle-income tracts, and 14 upper-income tracts.

There is significant banking competition throughout the assessment area. As of June 30, 2007, the Federal Deposit Insurance Corporation's ("FDIC") Summary of Deposits¹ reported that there were 28 FDIC-insured financial institutions, operating 141 offices within the five counties. These statistics indicate that Minster ranked eighth, holding 5.09% of the market share of deposits. Fifth Third Bank, which operates 14 offices in this area, ranked first, with 16.58% of the market share of deposits. US Bank, N.A., which operates 17 offices ranked second, holding 11.03% of the market share of deposits, and JPMorgan Chase Bank, N.A., which operates 13 offices ranked third, holding 9.43% of the market share of deposits.

Population

According to the 2000 Census data, the total population of Minster's assessment area is 258,179, and only 5.5% of the population lives in the bank's moderate-income census tracts. Individuals ages 25 to 64 represent 51.25% of the assessment area's population and individuals ages 65 and over represent 13.40%.

Income Characteristics

For purposes of evaluating the loan distribution to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available from HUD. According to the 2000 Census, the median family income for Minster's assessment area was \$50,650, which was slightly above the median income level for the State of Ohio at \$50,037. In 2007, the state's median family income increased to \$56,148.

From an income distribution standpoint, 13.5% of the families in the assessment area are designated as low-income, 17.2% are moderate-income, 25.3% are middle-income, and 43.9% are upper-income. Families living below the poverty level represent 4.9% of total families in the assessment area. In the state, 7.8% of families live below the poverty level.

¹ www.fdic.gov (June 30, 2007 is the latest data available)

Housing

According to the 2000 Census, the bank's assessment area contains 102,680 housing units, of which 71.4% are owner-occupied, 23% are rental units, and 5.6% are vacant. In the bank's moderate-income tracts, 55.6% are owner-occupied and 36.9% are rental units. The overall owner-occupancy rate in the state is 64.2%. Lastly, the median housing value in the assessment area was \$101,542, and the median gross rent was \$491 per month.

The percentage of 1-4 family housing units was 90.7%, while 5.3% housed five family units or more. Mobile homes were 4.1% of the housing units. The median age of the housing stock in the bank's assessment area is 39 years, which is slightly higher than the median age of housing stock in Ohio at 38 years.

Labor, Employment, and Economic Characteristics

In 2006, the Ohio Department of Development's Office of Strategic Research² reported that manufacturing, state and local government, retail trade, and health care/social services were the largest industries within Minster's assessment area.

According to Ohio Labor Market Info³ as of January 2008, the unemployment rates for counties within the bank's assessment area are as follows: Auglaize County – 5.3%; Darke County – 6.6%; Miami County – 6.3%; Mercer County – 4.4%; and Shelby County – 5.9%. During this same period, the State of Ohio's unemployment rate was 6.3% and the national unemployment rate was 5.4%. All unemployment rates increased over the past year.

The following demographic table illustrates the bank's entire assessment area:

² www.odod.state.oh.us/rearch

³ www.lmi.state.oh.us

Combined Demographics Report

Minster Bank

Analysis Year: 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	0	0.0	0	0.0	0	0.0	9,754	13.5
Moderate-income	3	5.5	4,227	5.9	493	11.7	12,403	17.2
Middle-income	38	69.1	48,363	67.2	2,559	5.3	18,246	25.3
Upper-income	14	25.5	19,397	26.9	492	2.5	31,584	43.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	55	100.0	71,987	100.0	3,544	4.9	71,987	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	6,762	3,757	5.1	55.6	2,493	36.9	512	7.6
Middle-income	70,220	49,066	66.9	69.9	16,959	24.2	4,195	6.0
Upper-income	25,698	20,490	27.9	79.7	4,137	16.1	1,071	4.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	102,680	73,313	100.0	71.4	23,589	23.0	5,778	5.6
	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	623	6.9	563	7.1	54	6.6	6	2.4
Middle-income	6,139	68.1	5,393	67.9	549	67.4	197	77.6
Upper-income	2,253	25.0	1,990	25.0	212	26.0	51	20.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	9,015	100.0	7,946	100.0	815	100.0	254	100.0
	Percentage of Total Businesses:			88.1		9.0		2.8

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

A financial institution's loan-to-deposit ratio compares the institution's outstanding aggregate loan balances to its total outstanding deposits. This ratio is a measure of an institution's lending volume relative to its capacity to lend. Further, this ratio is derived by dividing the institution's quarterly net loans by the quarterly total deposits.

Minster's loan-to-deposit ratio is reasonable given its size, financial condition and the credit needs of its assessment area. The bank has an average loan-to-deposit ratio of 80.9% over the past 20 quarters of operation. While Minster's ratio is slightly above its peer group's⁴ average ratio of 79.4%, its loan-to-deposit ratio has decreased over the past 20 quarters. This is most likely the result of the bank's total deposits increasing at a higher rate than its net loans. The increase to total deposits volume is most likely the result of the new branch opening in Miami County in June 2006.

The following table details Minster's quarterly loan-to-deposit ratios over the past 20 quarters since the previous evaluation:

Loan-to Deposit Ratios			
As of Date	Net Loans (000s)	Total Deposits (000s)	Ratio
December 31, 2007	165,436	219,985	75.20
September 30, 2007	159,296	213,324	74.67
June 30, 2007	159,293	212,202	75.07
March 31, 2007	159,129	208,488	76.33
December 31, 2006	162,592	208,546	77.96
September 30, 2006	157,237	194,898	80.68
June 30, 2006	156,249	186,999	83.56
March 31, 2006	150,267	190,556	78.86
December 31, 2005	150,637	193,295	77.93
September 30, 2005	150,147	183,207	81.95
June 30, 2005	152,640	182,908	83.45
March 31, 2005	150,387	203,906	73.75
December 31, 2004	153,012	186,071	82.23
September 30, 2004	152,628	179,763	84.91
June 30, 2004	152,101	177,458	85.71
March 31, 2004	151,627	181,099	83.73
December 31, 2003	154,490	190,693	81.02
September 30, 2003	153,978	179,822	85.63
June 30, 2003	157,663	180,172	87.51
March 31, 2003	159,415	181,335	87.91
Quarterly Loan-to-Deposit Ratio Average since the previous examination			80.90%

⁴ Minster Bank's peer group consists of all insured commercial banks having assets between \$100 million and \$300 million in a non-metropolitan area with 3 or more full service offices.

Lending in the Assessment Area

Minster’s HMDA (home purchase, refinance), small business, and consumer (home equity, other-secured, and other unsecured) loans were analyzed to determine the volume of lending inside and outside of the bank’s assessment area. A substantial majority of the bank’s loan activity is inside its assessment area.

The table below depicts Minster’s volume of loans extended inside and outside of its assessment area in 2007:

Lending Inside and Outside the Assessment Area								
Loan Type	Inside the Assessment Area				Outside the Assessment Area			
	# of Loans	%	\$ (000s)	%	# of Loans	%	\$ (000s)	%
HMDA	255	93.8	34,560	94.1	17	6.3	2,165	5.9
Small Business	186	93.0	29,070	86.3	14	7.0	4,597	13.7
Consumer	376	93.5	8,746	93.8	26	6.5	580	6.2
Total	817	93.5	72,375	90.8	57	6.5	7,342	9.2

Geographic Distribution of Lending

The geographic distribution of home mortgages, small business, and consumer loans reflects a reasonable dispersion throughout the assessment area.

Borrower Distribution of Lending

As stated earlier in this evaluation, since there are only three moderate-income census tracts within the bank’s market, the borrower analysis received the greatest weight when rating the bank’s overall CRA performance.

The penetration among individuals of different income (including low-income and moderate-income) levels is considered reasonable while lending to businesses of different sizes is considered excellent.

Community Contacts

A community contact interview was conducted in Auglaize County. Details are contained within the description of the bank’s operations in the non-metropolitan assessment area.

Response to Consumer Complaints

No CRA-related complaints were filed against Minster, during this evaluation period.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discrimination or other illegal credit practices, inconsistent with helping meet the credit needs of the community was noted during the examination. The bank continues the use of fair lending policies and procedures and has an effective fair lending training program to address fair lending issues. Internal reviews of bank policies and procedures are conducted routinely to ensure compliance.

NONMETROPOLITAN ASSESSMENT AREA
(Full scope review)

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN NON-METROPOLITAN OHIO

Minster's non-metropolitan assessment area consists of the entirety of Auglaize County, which is comprised of 10 tracts; the entirety of Shelby County, which is comprised of 10 tracts; the entirety of Mercer County, which consists of 9 tracts; and 6 out of 36 tracts in the northeast quadrant of Darke County. There are no low-income tracts, no moderate-income tracts, 24 middle-income tracts, and 11 upper-income census tracts for a total of 35 census tracts in this assessment area.

The bank's main office is in the city of Minster, which is located in Auglaize County. In addition, four other branch offices are also located in Auglaize County in the cities of Minster, New Bremen, St. Marys, and Wapakoneta. A fifth branch office is located in Shelby County in the city of Sidney. Each of these branch offices, including the main office, have a 24-hour, full-service ATM.

This assessment area was reviewed by using the full scope examination procedures because 85% of the bank's lending and the majority of its operations are in this assessment area. Also, since there are no low- or moderate-income census tracts in this assessment area, the borrower distribution analysis received the greatest weight when rating the bank's overall CRA performance.

No significant gaps were noted in the distribution of lending throughout this assessment area. Only four middle-income and one upper-income (14%) of the tracts had no reported loans. While Minster's presence is relatively established in this assessment area, the bank faces major competition from larger, well-established financial institutions.

There is significant banking competition throughout the assessment area. As of June 30, 2007, the Federal Deposit Insurance Corporation's ("FDIC") Summary of Deposits⁵ reported that there were 24 FDIC-insured financial institutions, operating 101 offices within the four counties. This statistic indicates that Minster ranked 8th, holding 6.79% of the market share of deposits. US Bank, N.A., which operates 11 offices ranked first, holding 10.97% of the market share of deposits; JPMorgan Chase Bank, N.A., which operates 10 offices ranked second, holding 10.04% of the market share of deposits; and First Financial Bank, N.A., which operates 8 office ranked third, holding 9.20% of the market share of deposits.

⁵ www.fdic.gov

Population

According to the 2000 census data, the total population of this assessment area is 159,311. Individuals ages 25 to 64 represent 50.1% of the assessment area's population, and individuals ages 65 and over represent 13.5%.

Income Characteristics

For purposes of evaluating the loan distribution to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available by HUD. According to the 2000 Census, the median family income for this assessment area was \$43,753, which is below the median income level for the State of Ohio at \$50,037. In 2007, the state's median family income increased to \$56,148.

From an income distribution standpoint, 11.4% of the families in the assessment area are designated as low-income, 15.7% are moderate-income, 25.5% are middle-income, and 47.4% are upper-income. Families living below the poverty level represent 4.8% of total families in the assessment area. In the state, 7.8% of families live below the poverty level.

Housing

According to the 2000 Census, the bank's assessment area contains 62,126 housing units, of which 73.3% are owner-occupied, 21% are rental units, and 6% are vacant. The overall owner-occupancy rate in the state is 64.2%. Lastly, the median housing value in the assessment area was \$95,516, and the median gross rent was \$467 per month.

The percentage of 1-4 family housing units was 90.1%, while 4.5% housed five families units or more. Mobile homes were 5.4% of the housing units. The median age of the housing stock in the bank's assessment area is 39 years, which is slightly higher than the median age of housing stock in Ohio at 38 years.

Labor, Employment, and Economic Characteristics

In 2006, the Ohio Department of Development's Office of Strategic Research⁶ reported that the major employers include, but are not limited to, the following within each county: Auglaize County – for manufacturing, Crown Equipment, Dannon Company (largest yogurt plant in the world), Minster Machine Company; for government, St. Mary's City and Wapakonata City boards of education; for services, Joint Township Dist. Memorial Hospital.

⁶ www.odod.state.oh.us

Darke County – for manufacturing, Honeywell International, Midmark Corporation, Whirlpool Corporation/KitchenAid; for government, Greenville City board of education; for retail, Wal-Mart-Stores Inc.; for services, Brethren Retirement Community, and Wayne Hospital.

Mercer County – for manufacturing, Celina Aluminum Precision Technology, Cooper Farms, Inc., Reynolds & Reynolds Company; for government, Celina City board of education; for services, Mercer Health.

Shelby County – for manufacturing, Emerson Climate Technologies, Griffon Corporation, Honda Motor Company Ltd.; for government, Sidney City board of education; for retail, Wal-Mart Stores Inc., Nippon Konpro Unyu/NK Parts; for services, Wilson Memorial Hospital.

According to Ohio Labor Market Info⁷ as of January 2008, the unemployment rates for this assessment area are as follows: Auglaize County – 5.3%; Darke County – 6.6%; Mercer County – 4.4%; and Shelby County – 5.9%. During this same period, the State of Ohio’s unemployment rate was 6.3% and the national unemployment rate was 5.4%. All unemployment rates increased over the past year.

The following demographic table illustrates the bank’s non-metropolitan assessment area:

⁷ www.lmi.state.oh.us

Combined Demographics Report

Minster Bank

Analysis Year: 2007

Assessment Area(s): Non-MSA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,996	11.4
Moderate-income	0	0.0	0	0.0	0	0.0	6,884	15.7
Middle-income	24	68.6	29,330	66.9	1,754	6.0	11,193	25.5
Upper-income	11	31.4	14,499	33.1	361	2.5	20,756	47.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	35	100.0	43,829	100.0	2,115	4.8	43,829	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	42,619	30,238	66.4	70.9	9,585	22.5	2,796	6.6
Upper-income	19,507	15,275	33.6	78.3	3,367	17.3	865	4.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	62,126	45,513	100.0	73.3	12,952	20.8	3,661	5.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	3,584	67.0	3,127	67.0	336	65.9	121	70.8
Upper-income	1,766	33.0	1,542	33.0	174	34.1	50	29.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,350	100.0	4,669	100.0	510	100.0	171	100.0
	Percentage of Total Businesses:			87.3		9.5		3.2

CONCLUSIONS WITH RESPECT TO LENDING TEST IN OHIO NON-METROPOLITAN AREA

Geographic Distribution of Lending

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among different census tracts within the assessment area. There are no low- or moderate-income census tracts in this assessment area; however, the analysis reflects reasonable penetration throughout the assessment area's middle- and upper-income census tracts.

Home Mortgage (HMDA) Lending

The percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such census tracts. A lower level of owner-occupied units limits the bank's lending opportunities in those census tracts. In the non-metropolitan assessment area, the larger majority of owner-occupied housing units (66.4%) are located in middle-income census tracts versus the upper-income census tracts at 33.6% of owner-occupied units. A review of Minster's total HMDA lending shows that 46.2% of its home mortgage loans were originated in middle-income census tracts and 53.8% were in upper-income tracts. Overall, this reflects reasonable geographic penetration.

Small Business Lending

The geographic distribution of small business loans was analyzed to determine the dispersion of these loans among different census tracts within the assessment area. Penetration throughout the assessment area was considered reasonable.

During the evaluation period, Minster originated 143 small business loans, aggregating \$20.4 million. Business demographics revealed that there were a total of 5,350 businesses in the assessment area. Minster's extension of credit to these businesses shows that 58% of its loans were originated in the middle-income tracts and 42% were in upper-income tracts, compared to the percentage of businesses in middle- and upper-income tracts at 67% and 33%, respectively.

Consumer Lending

The percentage of total households by income categories is used as a proxy to estimate the demand for consumer lending within such census tracts. In this assessment area, the larger majority of households (68.2%) are located in middle-income census tracts versus 31.8% of households located in upper-income census tracts. A review of Minster's consumer lending shows that 41.8% of its consumer loans originated in middle-income census tracts and 58.2% originated in upper-income tracts. Overall, this reflects a reasonable geographic penetration.

Borrower Distribution of Lending

Home mortgage, small business, and consumer lending data were analyzed in conjunction with the review of the demographic and economic characteristics of the assessment area to determine the extent of lending to borrowers of different incomes and to businesses of different sizes. This analysis revealed a reasonable penetration among borrowers of different income levels and an excellent distribution of lending to businesses of different sizes.

Lending to Borrowers of Different Income Levels

The percentage of low- and moderate-income families in the assessment area is used as a proxy to estimate demand for home mortgage lending. In this assessment area, the percentage of families below poverty is 4.8%. The percentage of low- and moderate-income households in the assessment area is used as a proxy to estimate demand for consumer lending. The percentage of the households in this assessment area below poverty is 6.6%.

Home Purchase Loans

Minster originated eight (6.2%) of its home purchase loans to low-income borrowers, which was less than the percentage of low-income families at 11.4%. The bank's distribution of home purchase loans to low-income borrowers is adequate.

The bank originated 19 (14.6%) of its home purchase loans to moderate-income borrowers, which is less than the percentage of moderate-income families at 15.7%. The distribution of home purchase loans to moderate-income borrowers is considered good.

Minster originated 17.7% and 58.5% of its home purchase loans to middle- and upper-income borrowers, respectively, compared to the percentage of middle- and upper-income families at 25.5% and 47.4%. The borrowers' income was not available for 4 (3.1%) of the home purchase loans made in this assessment area.

Refinance Loans

Minster originated one (1.3%) refinance loan to low-income borrowers, which was less than the percentage of low-income families at 11.4%. The bank's distribution of refinance loans to low-income borrowers is poor.

The bank originated seven (9.0%) of its refinance loans to moderate-income borrowers, which is less than the percentage of moderate-income families at 15.7%. The distribution of refinance loans to moderate-income borrowers is considered adequate.

Minster originated 16.7% and 70.5% of its refinance loans to middle- and upper-income borrowers, respectively, compared to the percentage of middle- and upper-income families at 25.5% and 47.4%. The borrowers' income was not available for two (2.6%) of the refinance loans made in this assessment area.

Small Business Loans

An analysis of small business lending data was conducted to ascertain the extent of lending to businesses of different sizes, including small businesses. Of the 143 small business loans originated by the bank, 142 (99.3%), were originated to businesses with less than \$1 million in revenue (small businesses), compared to 87.3% of small businesses in this assessment area. Based on this analysis, the bank's lending to small businesses is considered excellent.

A further analysis of small business lending shows that 65% of the bank's small business loans were extended in an amount of \$100,000 or less. Since smaller size loans are generally commensurate with the borrowing needs of smaller businesses, Minster's lending activity demonstrates that the bank is meeting the credit needs of such businesses.

Home Equity Loans

Minster originated 2 (2.9%) of its home equity loans to low-income borrowers, which was less than the percentage of low-income households at 15.4%. The bank's distribution of home equity loans to low-income borrowers is poor.

The bank originated 6 (8.7%) of its home equity loans to moderate-income borrowers, which is less than the percentage of moderate-income households at 14.5%. The distribution of home equity loans to moderate-income borrowers is considered adequate.

Minster originated 24.6% and 60.9% of its home equity loans to middle- and upper-income borrowers, respectively, compared to the percentage of middle- and upper-income households at 20.7% and 49.4%. The borrowers' income was not available for 2 (2.9%) of the home equity loans made in this assessment area.

Other Secured Loans

Minster originated 32 (17.3%) of its other secured loans to low-income borrowers, which was greater than the percentage of low-income households at 15.4%. The bank's distribution of other secured loans to low-income borrowers is excellent.

The bank originated 50 (27.0%) of its other secured loans to moderate-income borrowers, which is greater than the percentage of moderate-income households at 14.5%. The distribution of other secured loans to moderate-income borrowers is considered excellent.

Minster originated 17.8% and 34.6% of its other secured loans to middle- and upper-income borrowers, respectively, compared to the percentage of middle- and upper-income households at 20.7% and 49.4%. The borrowers' income was not available for 6 (3.2%) of the other secured loans made in this assessment area.

Other Unsecured Loans

Minster originated 12 (14.0%) of its other unsecured loans to low-income borrowers, which was less than the percentage of low-income households at 15.4%. The bank's distribution of other unsecured loans to low-income borrowers is good.

The bank originated 21 (24.4%) of its other unsecured loans to moderate-income borrowers, which is greater than the percentage of moderate-income households at 14.5%. The distribution of other unsecured loans to moderate-income borrowers is considered excellent.

Minster originated 22.1% and 38.4% of its other unsecured loans to middle- and upper-income borrowers, respectively, compared to the percentage of middle- and upper-income households at 20.7% and 49.4%. The borrowers' income was not available for one (1.2%) other unsecured loan made in this assessment area.

Community Contacts

A community contact interview was conducted with a representative from an economic development in Auglaize County. While retaining and expanding existing businesses is a main economic development priority, efforts have increased to attract new small businesses in order to maintain the area's current stable employment rate. With that in mind, the city and county administrators have created partnerships with Wright State University's Lake Campus in Celina, Ohio and Rhode State College in Lima, Ohio to ensure continuing adult education and job training programs are available in the area in order maintain and develop a well-trained local workforce. In addition, Auglaize County has a large industrial park that helps to retain and attract small businesses to the area. According to the community contact, local banks work with small business owners (i.e., new revolving loan fund program) and regularly support local fund raising efforts.

METROPOLITAN AREA

(Reviewed using limited examination procedures)

DESCRIPTION OF INSTITUTION'S OPERATION IN DAYTON, OHIO MSA 19380

While the Dayton MSA consists of entirety of Greene, Miami, Montgomery, and Preble Counties; Minster's assessment area includes only the entirety of Miami County into its overall footprint upon opening its latest branch office in June 2006. This office is located in a middle-income census tract at 1280 Experiment Farm Road, Troy, Ohio. Also, this branch office has a 24-hour, full-service ATM.

Miami County consists of no low-income tracts, 3 moderate-income tracts, 14 middle-income tracts, and 3 upper-income census tracts for a total of 20 census tracts in this assessment area.

This assessment area was reviewed by using the limited scope examination procedures, because lending within this assessment area represents only 15% of the bank's overall lending volume for this evaluation period. As stated earlier in this report, because this assessment area only has three moderate-income tracts and the non-metropolitan area has no low- or moderate-income census tracts, the borrower analysis received the greatest weight when rating the bank's overall CRA performance.

No significant gaps were noted in the distribution of the bank's loans throughout this assessment area. Only two middle-income (10%) tracts had no reported loans. In addition to being a relatively new presence, Minster also faces major competition from larger, well-established financial institutions in this assessment area.

As of June 30, 2007, the FDIC reported there are 12 FDIC-insured financial institutions, operating 40 offices within Miami County. These statistics indicate that Minster ranked 11th, holding 0.52% of the market share of deposits. Fifth Third Bank, which operates 9 offices ranked first, holding 39.32% of the market share of deposits; US Bank, N.A., which operates 6 offices, ranked second, holding 11.16% of the market share of deposits; and Mainsource Bank Ohio, which operates 4 offices ranked third, holding 9.68% of the market share of deposits. Within the Dayton MSA, there are 34 FDIC-insured financial institutions operating 270 offices, and Minster ranked 30th, holding 0.06% of the market share of deposits.

The following demographic table illustrates the bank's Dayton MSA assessment area:

Combined Demographics Report

Minster Bank

Analysis Year: 2007

Assessment Area(s): MSA 19380

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	4,758	16.9
Moderate-income	3	15.0	4,227	15.0	493	11.7	5,519	19.6
Middle-income	14	70.0	19,033	67.6	805	4.2	7,053	25.0
Upper-income	3	15.0	4,898	17.4	131	2.7	10,828	38.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20	100.0	28,158	100.0	1,429	5.1	28,158	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	6,762	3,757	13.5	55.6	2,493	36.9	512	7.6
Middle-income	27,601	18,828	67.7	68.2	7,374	26.7	1,399	5.1
Upper-income	6,191	5,215	18.8	84.2	770	12.4	206	3.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	40,554	27,800	100.0	68.6	10,637	26.2	2,117	5.2
	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	623	17.0	563	17.2	54	17.7	6	7.2
Middle-income	2,555	69.7	2,266	69.1	213	69.8	76	91.6
Upper-income	487	13.3	448	13.7	38	12.5	1	1.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,665	100.0	3,277	100.0	305	100.0	83	100.0
Percentage of Total Businesses:				89.4		8.3		2.3

CONCLUSIONS WITH RESPECT TO LENDING TEST IN DAYTON MSA, OHIO

The bank's lending performance in this assessment area is consistent with the institution's lending performance overall.

Facts and data reviewed, including performance and demographic information, can be found in the core tables accompanying this evaluation.

CRA CORE TABLES

Geographic Distribution of HMDA Loans								
Assessment Area/Group: Overall								
	Total HMDA Loans		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Owner Occ Units	% Bank Loans	% of Owner Occ Units	% Bank Loans	% of Owner Occ Units	% Bank Loans
Home Purchase	157	61.6	5.1	0.6	66.9	54.1	27.9	45.2
Refinance	98	38.4	5.1	1.0	66.9	41.8	27.9	57.1

Borrower Distribution of HMDA Loans										
Assessment Area/Group: Overall										
	Total HMDA Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Families	% Bank Loans	% of Families	% Bank Loans	% of Families	% Bank Loans	% of Families	% Bank Loans
Home Purchase	157	61.6	13.5	5.7	17.2	13.4	25.3	17.8	43.9	59.9
Refinance	98	38.4	13.5	2.0	17.2	11.2	25.3	17.3	43.9	64.3

Geographic Distribution of Consumer Loans								
Assessment Area/Group: Overall								
	Total Consumer Loans		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans
Home Equity	85	22.6	6.4	1.2	68.2	42.4	25.4	56.5
Other - Secured	197	52.4	6.4	1.0	68.2	41.6	25.4	57.4
Other - Unsecured	94	25.0	6.4	2.1	68.2	45.7	25.4	52.1

Borrower Distribution of Consumer Loans										
Assessment Area/Group: Overall										
	Total Consumer Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans
Home Equity	85	22.6	16.9	2.4	15.5	8.2	20.8	22.4	46.7	63.5
Other - Secured	197	52.4	16.9	16.2	15.5	28.4	20.8	17.3	46.7	34.5
Other - Unsecured	94	25.0	16.9	12.8	15.5	23.4	20.8	24.5	46.7	36.2

Geographic Distribution of HMDA Loans								
Assessment Area/Group: Non-MSA								
	Total HMDA Loans		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Owner Occ Units	% Bank Loans	% of Owner Occ Units	% Bank Loans	% of Owner Occ Units	% Bank Loans
Home Purchase	130	62.5	0.0	0.0	66.4	51.5	33.6	48.5
Refinance	78	37.5	0.0	0.0	66.4	37.2	33.6	62.8

Borrower Distribution of HMDA Loans										
Assessment Area/Group: Non-MSA										
	Total HMDA Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Families	% Bank Loans	% of Families	% Bank Loans	% of Families	% Bank Loans	% of Families	% Bank Loans
Home Purchase	130	62.5	11.4	6.2	15.7	14.6	25.5	17.7	47.4	58.5
Refinance	78	37.5	11.4	1.3	15.7	9.0	25.5	16.7	47.4	70.5

Geographic Distribution of Consumer Loans								
Assessment Area/Group: Non-MSA								
	Total Consumer Loans		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans
Home Equity	69	20.3	0.0	0.0	68.2	39.1	31.8	60.9
Other - Secured	185	54.4	0.0	0.0	68.2	41.6	31.8	58.4
Other - Unsecured	86	25.3	0.0	0.0	68.2	44.2	31.8	55.8

Borrower Distribution of Consumer Loans										
Assessment Area/Group: Non-MSA										
	Total Consumer Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans
Home Equity	69	20.3	15.4	2.9	14.5	8.7	20.7	24.6	49.4	60.9
Other - Secured	185	54.4	15.4	17.3	14.5	27.0	20.7	17.8	49.4	34.6
Other - Unsecured	86	25.3	15.4	14.0	14.5	24.4	20.7	22.1	49.4	38.4

Geographic Distribution of HMDA Loans Assessment Area/Group: MSA 19380								
	Total HMDA Loans		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Owner Occ Units	% Bank Loans	% of Owner Occ Units	% Bank Loans	% of Owner Occ Units	% Bank Loans
Home Purchase	27	57.4	13.5	3.7	67.7	66.7	18.8	29.6
Refinance	20	42.6	13.5	5.0	67.7	60.0	18.8	35.0

Borrower Distribution of HMDA Loans Assessment Area/Group: MSA 19380										
	Total HMDA Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Families	% Bank Loans	% of Families	% Bank Loans	% of Families	% Bank Loans	% of Families	% Bank Loans
Home Purchase	27	57.4	16.9	3.7	19.6	7.4	25.0	18.5	38.5	66.7
Refinance	20	42.6	16.9	5.0	19.6	20.0	25.0	20.0	38.5	40.0

Geographic Distribution of Consumer Loans Assessment Area/Group: MSA 19380								
	Total Consumer Loans		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans
Home Equity	16	44.4	16.2	6.3	68.1	56.3	15.6	37.5
Other - Secured	12	33.3	16.2	16.7	68.1	41.7	15.6	41.7
Other - Unsecured	8	22.2	16.2	25.0	68.1	62.5	15.6	12.5

Borrower Distribution of Consumer Loans Assessment Area/Group: MSA 19380										
	Total Consumer Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans
Home Equity	16	44.4	19.3	0.0	17.0	6.3	21.1	12.5	42.6	75.0
Other - Secured	12	33.3	19.3	0.0	17.0	50.0	21.1	8.3	42.6	33.3
Other - Unsecured	8	22.2	19.3	0.0	17.0	12.5	21.1	50.0	42.6	12.5

ASSESSMENT AREA MAP

Minster Bank
Assessment Area: Overall

