

PUBLIC DISCLOSURE

January 27, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The St. Henry Bank
RSSD# 568126

231 E. Main Street
St. Henry, Ohio 45883

Federal Reserve Bank of Cleveland

P.O. Box 6387
Cleveland, Ohio 44101-1387

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

The St. Henry Bank (St. Henry) is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

This rating is based on the following conclusions with respect to the performance criteria:

- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs;
- A majority of loans and other lending-related activities are in the AA;
- The distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes given the demographics of the AA; and,
- The bank's community development performance demonstrates an adequate responsiveness to the community development needs of the AA, considering the bank's capacity and the need and availability of such opportunities in the bank's AA.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Lending performance was assessed within the bank's AA using a full scope review. The following data was reviewed:

- St. Henry's 23-quarter average net loan-to-deposit ratio,
- Small business, residential real estate, consumer loans were analyzed from January 1, 2023, through December 31, 2023.
- Based on the total loan volume by number and dollar amount, residential real estate lending received the most weight, followed by small business and consumer lending. Consumer loans are comprised of motor vehicle, other secured, and other unsecured loans.
- Borrower distribution received more weight than geographic distribution based on the percentage of low- and moderate-income (LMI) families. There are no LMI tracts in the AA.
- Lending performance to low-, moderate-, middle-, and upper-income borrowers was considered for each product however, comments for activity to middle- and upper-income borrowers are only included when they impacted the outcome of the analyses.
- Community development activities funded between August 21, 2018, through January 27, 2025, were assessed.

DESCRIPTION OF INSTITUTION

St. Henry is an intrastate community bank headquartered in St. Henry, Ohio. The bank's characteristics include:

- The bank is a wholly owned subsidiary of The St. Henry Bancorp, Inc., located in St. Henry, Ohio.
- As of September 30, 2024, St. Henry has total assets of \$421.7 million and total deposits of \$376.5 million. This represents a 32.2% increase in total assets and a 48.0% increase in total deposits since the previous CRA evaluation.
- In addition to its main office in St. Henry, the bank has two branches. The main office and two branches are in Mercer County. The main office and one branch are in St. Henry, and the remaining branch is in Maria Stein. All three locations are in upper-income tracts. The main office and both branches have full-service ATMs. All three locations offer extended and weekend hours and drive-thru services.
- St. Henry has not opened or closed any branches since the previous evaluation.
- St. Henry is a full-service retail bank that offers traditional products, including deposit and checking accounts, commercial, residential real estate, agricultural, credit card, and consumer loans. St. Henry offers a website, www.sthenrybank.com, that provides customers with information about available products, services, and resources for all stages of life and business. Customers can also login to online banking to view account balances, transactions, pay bills, and transfer money. St. Henry offers MASTERMONEY® debit cards, VISA credit cards, and treasury management services.
- St. Henry's loan portfolio composition is show in the table below.

COMPOSITION OF LOAN PORTFOLIO					
Loan Type	12/31/2023		12/31/2022		% Change
	\$ (000s)	Percent	\$ (000s)	Percent	
Construction and Development	10,129	4.4%	15,570	7.4%	-34.9%
Secured by One- to Four- Family Dwellings	45,112	19.7%	39,804	19.0%	13.3%
Other Real Estate: Farmland	62,479	27.3%	53,918	25.7%	15.9%
Multifamily	15,760	6.9%	16,050	7.7%	-1.8%
Nonfarm nonresidential	53,547	23.4%	46,291	22.1%	15.7%
Commercial and Industrial	38,146	16.6%	33,736	16.1%	13.1%
Loans to Individuals	1,921	0.8%	1,709	0.8%	12.4%
Agricultural Loans	2,105	0.9%	2,374	1.1%	-11.3%
Total	\$229,199	100.00%	\$209,452	100.00%	9.4%

*This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

St. Henry's investment portfolio as of December 31, 2023, was \$169.0 million, which represents 40.0% of total assets. Since the previous CRA evaluation, total investments increased by 115.9%. Municipal securities accounted for 42.1%, followed by U.S. Treasury & Agency securities, Fed Funds sold, all other securities and interest-bearing bank balances at 32.5%, 16.0%, 8.4%, and 1.0%, respectively. According to bank management, the increase in investments is due to increased deposit volumes and stagnant loan demand.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

St. Henry was rated Satisfactory at its previous CRA performance evaluation (August 20, 2018). The lending test and the community development test were rated Satisfactory.

DESCRIPTION OF ASSESSMENT AREA

St. Henry has one delineated CRA AA in Nonmetropolitan Ohio. St. Henry's AA is comprised of the entirety of Mercer County and portions of Auglaize, Darke, and Shelby counties. See Appendix A for an AA map and Appendix B for additional demographic data.

- There have been no changes to St. Henry's AA since the previous exam.
- The AA consists of 18 total geographies consisting of seven middle- and 11 upper-income tracts. There are no LMI tracts in the AA. No middle-income tracts were designated as distressed or underserved in 2023, as defined annually by the regulatory agencies.¹
- According to the June 30, 2024, Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits Report, St. Henry ranked 10th amongst 23 financial institutions operating in the AA with a 5.7% deposit market share. The Peoples Bank Co. holds the largest share of deposits in the market at 12.1%, followed by Minster Bank, U.S. Bank National Association, and The Park National Bank at 9.5%, 9.1%, and 8.0%, respectively.
- One community contact interview was conducted as part of this evaluation providing supplemental information regarding the area's credit needs and context to demographic and economic conditions of the local community.
 - The interview was conducted with an agency that provides a multitude of wraparound services to LMI individuals and families, including but not limited to rent assistance, utilities assistance, childcare, home repair, and financial literacy. The contact stated that although incomes are staying stable, rising expenses are causing hardships. Specifically, increasing rents are causing an increase in homelessness. The contact stated that state grant money for rent assistance is exhausted quickly. Similarly, affordable housing availability is a concern as the contact is not seeing any new affordable housing development projects in the area. The contact noted that there are opportunities for local financial institutions to help provide small credit needs for individuals struggling to with increased expenses for necessities, particularly rent payments.

¹[Federal Financial Institutions Examination Council \(FFIEC\) – Distressed and Underserved Nonmetropolitan Middle-Income Geographies](#)

Population Change Assessment Area: Nonmetropolitan Ohio			
Area	2020 Population	2023 Population	Percent Change
Auglaize County	46,422	46,050	-0.8%
Darke County	51,881	51,415	-0.9%
Mercer County	42,528	42,439	-0.2%
Shelby County	48,230	47,765	-1.0%
Assessment Area	189,061	187,669	-0.7%
Ohio	11,799,448	11,785,935	-0.1%
Source: V2023 U.S. Census Population Estimates 2020 U.S. Census Bureau Decennial Census			

- The AA experienced a slight decrease (0.7%) in population from 2020 to 2023. During this time Shelby County experienced the greatest decrease and Mercer County experienced the least decrease in population.
- 74.3% of the AA population was 18 years of age or older, the legal age to enter into a contract.
- 16.3% of the population in the AA was age 65 and over, compared to 16.9% in Ohio.
- While AA population only slightly declined, it is aging resulting in a shrinking working population or lack of labor supply and increasing demand for leisure and healthcare services.
- Celina (Mercer County) is the largest city in the AA with a population of 10,885 according to 2023 U.S. Census data. Celina's population decreased by 0.4% since 2020.

**Borrower Income Levels
Nonmetropolitan Ohio**

FFIEC Estimated Median Family Income		% Change	Low 0 - 49.99%		Moderate 50% - 79.99%		Middle 80% - 119.99%		Upper 120% - & above	
Year	Income		0	49.99%	50%	79.99%	80%	119.99%	120%	& above
2021	\$64,700		0	\$32,349	\$32,350	\$51,759	\$51,760	\$77,639	\$77,640	& above
2022	\$74,900	15.8%	0	\$37,449	\$37,450	\$59,919	\$59,920	\$89,879	\$89,880	& above
2023	\$79,500	6.1%	0	\$39,749	\$39,750	\$63,599	\$63,600	\$95,399	\$95,400	& above

- The median family income (MFI) increased by 22.9% from 2021 to 2023 Nonmetropolitan Ohio, with the largest annual increase occurring from 2021 to 2022.
- Ohio minimum wage for 2023 is \$10.10 per hour or \$21,008 annually.² The Federal minimum wage is \$7.25 per hour and has not increased since 2009.³

²[Ohio Minimum Wage](#)

³[Federal Minimum Wage](#)

Poverty Rates			
Assessment Area: Nonmetropolitan Ohio			
Area	2021	2022	2023
Auglaize County	7.3%	6.6%	7.5%
Darke County	10.4%	11.0%	11.2%
Mercer County	5.3%	6.4%	6.1%
Shelby County	10.8%	10.9%	11.1%
Ohio	13.3%	13.4%	13.2%
<i>Source: Federal Reserve Economic Data FRED St. Louis Fed</i>			

- Poverty rates in the AA were consistently lower than poverty rates across Ohio.
- Of the 20,950 families in the AA, 26.5% are designated as LMI with 5.2% living below poverty.
- Of the 30,231 households in the AA, 6.6% are below the poverty level and 2.3% receive public assistance
- Supplemental Nutrition Assistance Program (SNAP)⁴ helps LMI individuals and families, the elderly, and the working poor purchase food and reduce food insecurity and may free up resources for other necessities, such as clothing, housing, and medical expenses. The table below shows the percentage of population by county and state receiving SNAP benefits.

SNAP Recipients		
Assessment Area: Nonmetropolitan Ohio		
Area	2021	2022
Auglaize County	6.3%	6.1%
Darke County	7.8%	7.8%
Mercer County	4.2%	4.3%
Shelby County	7.9%	8.0%
Ohio	12.7%	12.2%
<i>Source: Federal Reserve Economic Data FRED St. Louis Fed</i>		

- Darke and Shelby counties had the highest poverty rates and are also the counties with the highest percentage of SNAP recipients. Mercer County had the lowest poverty rate and percentage of SNAP recipients.

⁴ [Federal Reserve Economic Data \(FRED\)](#)

Housing Cost Change Assessment Area: Nonmetropolitan Ohio						
Area	Median Housing Value			Median Gros Rent		
	2020	2023	Percent Change	2020	2023	Percent Change
Auglaize County	\$146,400	\$182,000	24.3%	\$757	\$853	12.7%
Darke County	\$124,700	\$169,100	35.6%	\$665	\$747	12.3%
Mercer County	\$163,800	\$208,600	27.4%	\$676	\$812	20.1%
Shelby County	\$147,400	\$190,300	29.1%	\$756	\$904	19.6%
Ohio	\$151,400	\$199,200	31.6%	\$825	\$988	19.8%

Source: 2019-2023 U.S. Census Bureau: American Community Survey

- The cost of homes across the AA outpaced MFI (i.e., wage growth) from 2020 to 2023. Home prices rose between 24.3% to 35.6%, while MFI rose only 25.4% during this period. Rents rose between 12.3% to 20.1% during this period of time.
- According to the U.S. Department of Housing and Urban Development's (HUD) 2023 Fair Market Rents (FMR) data,⁵ the average rent for a two-bedroom unit in the AA was \$798 a month (requiring a minimum annual salary of \$31,900).
- With Ohio's minimum wage at \$10.10, renters across the state can only afford \$525 in monthly rent. The typical minimum wage worker cannot afford rent for a FMR two-bedroom apartment in this AA.
- According to the National Low Income Housing Coalition,⁶ full-time workers must earn at least \$19 an hour (\$39,520 annual salary) in Ohio, which is nearly double the minimum wage to afford an average two-bedroom unit. Rents continue to increase nationwide; currently the national average rent is \$1,486 a month, which requires workers to earn a minimum wage of \$28.58 (\$59,445 annual salary).
- There are 33,412 housing units in the AA, of which 71.5% are owner-occupied, 19.0% are rental, and 9.5% are vacant. There are more households in the AA who own their homes than there are renters.
- With 28.5% of total housing units across the AA being either rental or vacant, there may be limited opportunities to originate mortgage loans.
- The median age of housing stock in the AA is 58 years old. Across the AA, 27.6% of housing units were built prior to 1950. The age of the housing stock demonstrates a potential need for home improvement lending and refinance or home improvement loans to remove lead-based paint that was commonly used on houses and apartments built before 1978.⁷

⁵ [HUD FY 2023 Ohio FMR Summary](#)

⁶ [National Low Income Housing Coalition \(2023\)](#)

⁷ [Ohio Department of Health/Know Our Programs/Childhood Lead Poisoning](#)

Housing Cost Burden						
Assessment Area: Nonmetropolitan Ohio						
Area	Cost Burden - Owners			Cost Burden - Renters		
	Low Income	Moderate Income	All Owners	Low Income	Moderate Income	All Renters
Auglaize County	43.3%	20.0%	11.2%	71.1%	8.9%	27.5%
Darke County	49.5%	25.4%	13.3%	61.7%	14.2%	27.7%
Mercer County	55.7%	17.6%	12.5%	66.2%	11.2%	27.5%
Shelby County	53.3%	23.6%	13.4%	70.1%	10.7%	31.7%
Assessment Area	50.2%	21.8%	12.6%	67.1%	11.5%	28.7%
Ohio	60.4%	27.2%	16.1%	71.7%	27.0%	38.6%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

- 50.2% of low-income homeowners and 67.1% of low-income renters are cost burdened, compared to 21.8% of moderate-income homeowners and 11.5% of moderate-income renters.
- 12.6% of all homeowners across the AA are cost burdened, compared to 16.1% of all homeowners in Ohio.
- 28.7% of all renters across the AA are cost burdened, compared to 38.6% of all renters in Ohio.
- The data shows that cost burden disproportionately affects renter-occupied households, particularly low-income renters as well as low-income homeowners.
- Cost-burdened renters may have a difficult time saving enough monies to make a sufficient down payment to purchase a home or otherwise afford increasing rents.
- Cost-burdened households may potentially forgo food, childcare, or medication, and be unable to build emergency, education, or retirement savings.

Unemployment Rates			
Assessment Area: Nonmetropolitan Ohio			
Area	2021	2022	2023
Auglaize County	3.8%	3.1%	2.6%
Darke County	4.0%	3.5%	3.1%
Mercer County	3.2%	2.7%	2.3%
Shelby County	4.2%	3.5%	3.1%
Assessment Area	3.8%	3.2%	2.8%
Ohio	5.1%	4.0%	3.5%
<i>Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics</i>			

- Unemployment rates decreased each year across the AA and are lower in 2023 than they were pre-COVID in 2019. Unemployment rates across the AA were consistently lower than unemployment rates in Ohio during this period.
- According to Ohio Office of Research:⁸
 - Land use in AA is primarily rural with less than 10.0% available for urban (i.e., residential, commercial, industrial, or recreational) development.

⁸ Ohio County Trends: [County Trends | Development](#)

- The leading industries in the AA are manufacturing, government, retail trade, health care and social assistance, and accommodation and food services.
- The average weekly wage for the private sector is \$979, which indicates that employed persons could afford median rents in the AA.
- Major employers include but are not limited to:
 - Cooper Farms, Inc., J & M Manufacturing Co., Mercer Health Hospital, and Reynolds & Reynolds Co. in Mercer County
 - Danone Group/Dannon Co., Grand Lake Health System, KN Rubber, and St. Mary's City Schools in Auglaize County
 - FRAM Group Operations, LLC, Wayne HealthCare, and Whirlpool Corp./KitchenAid in Darke County
 - Airstream, Cargill, Honda Motor Co. Ltd., and Wilson Memorial Hospital in Shelby County
- The AA is home to Grand Lake, the largest inland lake in Ohio. Visitor spending in Grand Lake generated \$267.9 million in economic impact for Auglaize and Mercer counties in 2023. Additionally, visitor spending in the area supports a total of 3,264 jobs.⁹
- Homelessness surged in Ohio in 2023 with a lack of affordable housing largely to blame.¹⁰ Auglaize County Emergency Management Agency/Community Emergency Response Team (EMA/CERT) had 190 clients dealing with non-temporary homelessness in the first half of 2024.¹¹
- In Mercer County, 81.0% of the populated area and 37.0% of households do not have access to the minimum bandwidth needed for basic internet activity.¹² Nationally, those with access to a broadband-enabled computer are employed at a higher rate in urban and rural counties.

⁹ Tourism Contributing Over \$250 Million Annually to the Grand Lake Economy: [The Evening Leader](#)

¹⁰ Homelessness in Ohio Surged Last Year: [The Ohio Newsroom](#)

¹¹ Candle of Hope Offers Help to Local Homeless Population: [The Evening Leader](#)

¹² [BroadbandOhio](#)

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

St. Henry's performance under the lending test is considered Satisfactory. The net loan-to-deposit ratio is reasonable. The bank made a majority of its loans inside its AA. The borrower distribution is reasonable to individuals of different income levels and to businesses of different revenue sizes. Geographic distribution did not receive much consideration, since the AA has no LMI tracts; however, the distribution of loans in middle- and upper-income tracts reflects reasonable dispersion throughout the AA.

Net Loan-to-Deposit Ratio (NLTD)

This performance criterion evaluates the bank's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as St. Henry's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA since the previous evaluation in comparison to similarly situated FDIC-insured institutions (custom peer group). The custom peer group was selected based on asset size, market share, and the area where they are located.

Comparative Loan-to-Deposit (LTD) Ratio		
Institution	Total Assets as of 12/31/2023 \$(000)	NLTD Ratio (%)
		23 – Quarter Average*
St. Henry Bank	\$422,634	67.7
Similarly Situated Institutions	\$(000)	Custom Peer Ratio
First NB IN New Bremen	\$437,016	41.9
Minster Bank	\$722,596	50.6
Osgood Bank	\$402,348	79.1
Quarterly LTD Ratio Average Since the Previous Evaluation		57.2
<i>* June 30, 2018 - December 31, 2023</i>		

St. Henry's NLTD ratio averaged 67.7%, which exceeded the custom peer group average of 57.2%. Bank management indicated they experienced an increase in deposits since 2019, outpacing loan growth, due to direct payments to consumers and small businesses from various economic stimulus programs in response to the COVID-19 pandemic. This was a similar trend amongst other community banks. Post-COVID, bank management indicated businesses are flush with cash and are not needing loans. Therefore, St. Henry's NLTD ratio is reasonable given the bank's size, financial condition, and AA credit needs.

Assessment Area Concentration

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Other Loan Data	46	90.2	\$626	87.2	5	9.8	\$92	12.8
Total Consumer related	46	90.2	\$626	87.2	5	9.8	\$92	12.8
Residential Loans	70	69.3	\$15,706	76.5	31	30.7	\$4,812	23.5
Total Non-HMDA	70	69.3	\$15,706	76.5	31	30.7	\$4,812	23.5
Small Business	43	78.2	\$8,951	71.4	12	21.8	\$3,589	28.6
Total Small Bus. related	43	78.2	\$8,951	71.4	12	21.8	\$3,589	28.6
TOTAL LOANS	159	76.8	\$25,283	74.9	48	23.2	\$8,492	25.1

Note: Affiliate loans not included

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. During the evaluation period, 76.8% by volume and 74.9% by dollar amount of the bank's total loans were made inside the AA. Therefore, a majority of loans by volume and other lending-related activities are in the bank's AA.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank's lending has a reasonable distribution among individuals of different income levels and businesses of different sizes. Borrower distribution of consumer lending is excellent and reasonable for small business and residential real estate lending.

Residential Real Estate Lending

St. Henry originated 70 residential real estate loans totaling \$15.7 million, and two (2.9%) of these loans were made to borrowers with unknown incomes. St. Henry's performance was compared to the percentage of families by family income (proxy). The borrower distribution of residential real estate lending is reasonable, primarily based on its performance to moderate-income borrowers.

Borrower Distribution of Residential Loans

Assessment Area: Nonmetropolitan Ohio

Household Income Levels	Bank Lending & Demographic Data				
	2023				
	Count		Dollar		Families by Family Income
	#	%	\$ (000s)	\$ %	%
Low	1	1.4%	200	1.3%	12.1%
Moderate	13	18.6%	1,904	12.1%	14.4%
Middle	13	18.6%	2,525	16.1%	21.8%
Upper	41	58.6%	10,745	68.4%	51.7%
Unknown	2	2.9%	331	2.1%	0.0%
Total	70	100.0%	15,706	100.0%	100.0%

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Percentages may not total 100 percent due to rounding

St. Henry originated one (1.4%) residential real estate loan to low-income borrowers, which fell significantly below the percentage of families at 12.1%. The bank originated 13 (18.6%) residential real estate loans to moderate-income borrowers, which exceeded the percentage of families at 14.4%.

Borrower distribution of residential real estate loans to low-income borrowers is very poor and excellent to moderate-income borrowers.

Small Business Lending

St. Henry originated 43 small business loans totaling \$9.0 million. St. Henry's performance was compared to the percentage of total small businesses (proxy).

Small Business Loans by Business Revenue & Loan Size

Assessment Area: Nonmetropolitan Ohio

		Bank Lending & Demographic Data				
		2023				
		Count		Dollar		Total Businesses
		#	%	\$ (000s)	\$ %	%
Revenue	\$1 Million or Less	32	74.4%	4,056	45.3%	86.9%
	Over \$1 Million	11	25.6%	4,895	54.7%	11.1%
	<i>Total Rev. available</i>	43	100.0%	8,951	100.0%	98.0%
	Rev. Not Known	0	0.0%	0	0.0%	2.0%
	<i>Total</i>	43	100%	8,951	100%	100%
Loan Size	\$100,000 or Less	24	55.8%	1,331	14.9%	
	\$100,001 - \$250,000	11	25.6%	1,973	22.0%	
	\$250,001 - \$1 Million	7	16.3%	2,648	29.6%	
	<i>Total</i>	43	100%	8,951	100%	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	20	62.5%	1,032	25.4%	
	\$100,001 - \$250,000	7	21.9%	1,202	29.6%	
	\$250,001 - \$1 Million	5	15.6%	1,823	44.9%	
	<i>Total</i>	32	100%	4,056	100%	

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information

Percentages may not total 100 percent due to rounding

St. Henry originated 32 (74.4%) loans to businesses with revenues of \$1.0 million or less, which fell below the percentage of small businesses at 86.9%.

St. Henry also made 55.8% of its small dollar loans in amounts of \$100,000 or less. St. Henry's willingness to lend in smaller amounts exhibits adequate responsiveness to credit needs of businesses in the AA, since small dollar loans tend to represent amounts typically requested by small businesses. Therefore, the distribution of small business lending is reasonable.

Consumer Lending

St. Henry originated 46 consumer loans totaling \$626,000. St. Henry's performance was compared to the percentage of households by household income (proxy). St. Henry's borrower distribution of consumer lending is excellent.

Borrower Distribution of Consumer Loans

Assessment Area: Nonmetropolitan Ohio

Household Income Levels	Bank Lending & Demographic Data				
	2023				
	Count		Dollar		Households by Household Income
	#	%	\$ (000s)	\$ %	%
Low	12	26.1%	203	32.4%	14.3%
Moderate	12	26.1%	126	20.1%	13.5%
Middle	13	28.3%	164	26.2%	19.2%
Upper	9	19.6%	132	21.1%	53.0%
Unknown	0	0.0%	0	0.0%	0.0%
<i>Total</i>	46	100.0%	626	100.0%	100.0%

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Percentages may not total 100 percent due to rounding

St. Henry originated 12 (26.1%) consumer loans to low-income borrowers, which significantly exceeded the percentage of households at 14.3%. The bank originated 12 (26.1%) to moderate-income borrowers, which significantly exceeded the percentage of households at 13.5%.

Borrower distribution of consumer loans to LMI borrowers is excellent, considering loans to LMI borrowers represent the majority of originated loans, and small dollar lending can help LMI borrowers meet a variety of needs, including unexpected expenses.

Geographic Distribution of Loans

Geographic distribution did not receive much consideration, since the AA has no LMI tracts. However, the geographic distribution of loans in middle- and upper-income tracts was analyzed. There was a limited level of lending gaps. St. Henry originated loans in 17 (94.4%) of 18 total tracts in the AA. Specifically, St. Henry penetrated 100.0% of middle-income tracts and 91.0% of upper-income tracts. As a result, the geographic distribution of loans reflects reasonable dispersion throughout the AA. See Appendix C for details of lending data.

Response to Complaints

There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

Community Development Test

St. Henry's performance under the community development test is considered Satisfactory.

Community development activities funded between August 21, 2018, through January 27, 2025, were assessed along with qualified investments funded during prior evaluation periods.

St. Henry's community development performance demonstrates an adequate responsiveness to the credit and community development needs of its AA through community development loans, qualified investments and donations, and community development services; considering St. Henry's capacity and the need and availability of such opportunities in the AA. Community development loans supported economic development, services for LMI individuals, and small businesses in moderate-income areas in the broader regional area through the PPP. St. Henry was able to obtain new qualified investments and donations that supported affordable housing and community services targeted to LMI individuals. Also, St. Henry increased its levels of small dollar donations and community development services since the previous evaluation. Community contacts stressed the need for supporting affordable housing and small dollar credit needs for LMI individuals and families. St. Henry's community development activities supported these expressed needs.

While St. Henry has very few schools with majority LMI student bodies in its delineated AA, bank employees provide financial literacy services at local schools. While not eligible for consideration under the Community Development Test, St. Henry is being responsive to this need in its AA.

Community Development Loans

St. Henry originated 22 community development loans totaling approximately \$1.5 million during the evaluation period. The following table reflects the total number of community development loans by purpose, number, and dollar amount.

Purpose of CD Loan	#	\$
Revitalization/Stabilization	20	\$1,345,263
Economic Development	1	\$163,000
Services to LMI	1	\$25,000
Total	22	\$1,533,263
<i>Totals include qualified investments that benefit broader regional area</i>		

St. Henry originated a working capital loan totaling \$163,000 to a small business in an upper-income tract. This economic development loan allowed the business to create one job and retain 10 jobs with 82.0% benefiting LMI workers.

St. Henry originated a term loan totaling \$25,000 to a nonprofit to purchase a transport vehicle for LMI individuals with developmental disabilities to help them get to appointments and maintain their independence.

St. Henry facilitated 598 loans totaling \$22.6 million through the U.S. government's Paycheck Protection Program (PPP) between April 17, 2020, through May 21, 2021, to help small businesses impacted by the COVID-19 emergency. Of these 532 (89.0%) PPP loans totaling \$20.0 million (88.5%) were originated in the bank's AA. Consistent with information provided in the May 27, 2020, joint statement on CRA Consideration for Activities in Response to Coronavirus FAQs;¹³ PPP loans originated in LMI and distressed-middle income tracts were considered in the community development test. PPP loans were originated outside of the evaluation period for the retail lending test. Since St. Henry has been responsive to community development needs and opportunities in its AA and there are no LMI tracts in the bank's delineated AA, consideration was given to 20 PPP loans totaling \$1.4 million originated in moderate-income tracts outside the AA. Specifically, four of these loans totaling \$677,096 were originated in excluded tracts in Darke County, and the remaining 16 PPP loans totaling \$668,167 were in Seneca and Erie counties. These loans are considered responsive to serving credit needs of businesses in LMI geographies in response to the COVID-19 emergency.

Community Development Investments

St. Henry has nearly \$11.0 million in qualified community development investments, grants, and donations.

The following table reflects the total number of qualified investments by purpose, number, and dollar amount.

Purpose of CD Investment	#	\$
Services to LMI	12	\$7,283,068
Affordable Housing	3	\$3,531,613
Total	15	\$10,814,681
<i>Totals include qualified investments that benefit broader statewide and regional area</i>		

¹³ [May 27 2020 - Frequently Asked Questions \(FAQs\) for Consideration for Activities in Response to the Coronavirus](#)

During the evaluation period, St. Henry obtained 11 new investments worth approximately \$9.4 million, representing 87.0% of total qualified investments. St. Henry also holds four prior period investments with a current book value of approximately \$1.4 million, representing 13.0% of qualified investments.

New investments include two municipal bonds worth \$1.6 million that benefit a school district in the AA where majority of students qualify for the free and reduced-price meals under the National School Lunch Program. St. Henry also obtained two revenue bonds worth \$2.4 million that support the Ohio Housing Finance Agency First-Time Homebuyer Program, which helps fund the purchase of owner-occupied residences across Ohio by qualified LMI homebuyers. This investment benefits the broader statewide area, including the bank's AA. Qualified investments that benefit the bank's AA represent 37.0% of total qualified investments by dollar amount.

Because St. Henry has been responsive to community development needs and opportunities in its AA, consideration was given to six new municipal bonds worth \$4.3 million that benefit schools in the broader regional area and a new mortgage-backed security worth \$1.2 million that supports 42 units of affordable housing in the broader regional area. Consideration was also given to four prior period municipal bonds worth \$1.4 million that benefit schools in the broader regional area. Qualified investments that benefit a broader regional area represent 63.0% of total qualified investments by dollar amount.

Qualified investments also took the form of grants. St. Henry works with the Federal Home Loan Bank of Cincinnati to offer qualifying LMI homebuyers Welcome Home Fund grants. During the evaluation period, St. Henry assisted 17 LMI homebuyers in the AA qualify for \$100,000 of assistance to fund either down payments or closing costs for their new homes. Because St. Henry has been responsive to community development needs and opportunities in its AA, consideration was given to a Welcome Home grant totaling \$10,000 to an LMI homebuyer in neighboring Miami County.

St. Henry also partners with several organizations and nonprofits to fund initiatives aimed at responding to community needs. These donations help provide wraparound services to LMI individuals and families and economic development.

Purpose of Qualified Donation	#	\$
Services to LMI	17	\$10,927
Economic Development	13	\$9,824
Total	30	\$20,751
<i>Totals include qualified donations that benefit broader statewide area</i>		

St. Henry made 30 donations totaling \$20,751 to 13 organizations during the evaluation period. These small dollar donations primarily support nonprofits that provide wraparound services to LMI individuals and families, small businesses, and small farms.

Impactful donations include but are not limited to:

- \$6,000 (four donations) to a local organization focused on economic development initiatives to attract and retain small businesses
- \$6,802 (three donations) to a local hospital's foundation that supports healthcare serves LMI individuals and families. The hospital is a federally qualified health center that serves an area that has a shortage of healthcare professionals
- \$3,126 (seven donations) to five organizations focused on economic development initiatives aimed at supporting small farms including a foundation that serves farmers across Ohio, including in the bank's AA

Community Development Services

St. Henry provided 735 hours of community development services supporting various service activities during the evaluation period. Total community development service hours equate to 0.4 annualized persons (ANP).¹⁴ This represents a significant increase in community development services since the previous evaluation.

The following table provides a breakdown of qualified community development services by community development purpose. Employees were involved with organizations and activities that promote or facilitate community services targeted to LMI individuals and economic development by financing small businesses.

Purpose of CD Service	# Services	# Organizations	# Employees	# Hours
Economic Development	6	4	5	375
Services to LMI	3	2	2	360
Total	9	6	7	735

St. Henry's officers and staff members provided their financial expertise by serving on boards and committees. Five employees serve on boards/committees, and one employee serves as treasurer for two organizations.

Services include but are not limited to:

- Two employees serve on the board of a county economic development organization
- One employee serves on the board of a county community improvement corporation
- An employee serves on the board of a local hospital that is a federally qualified health center that serves LMI patients

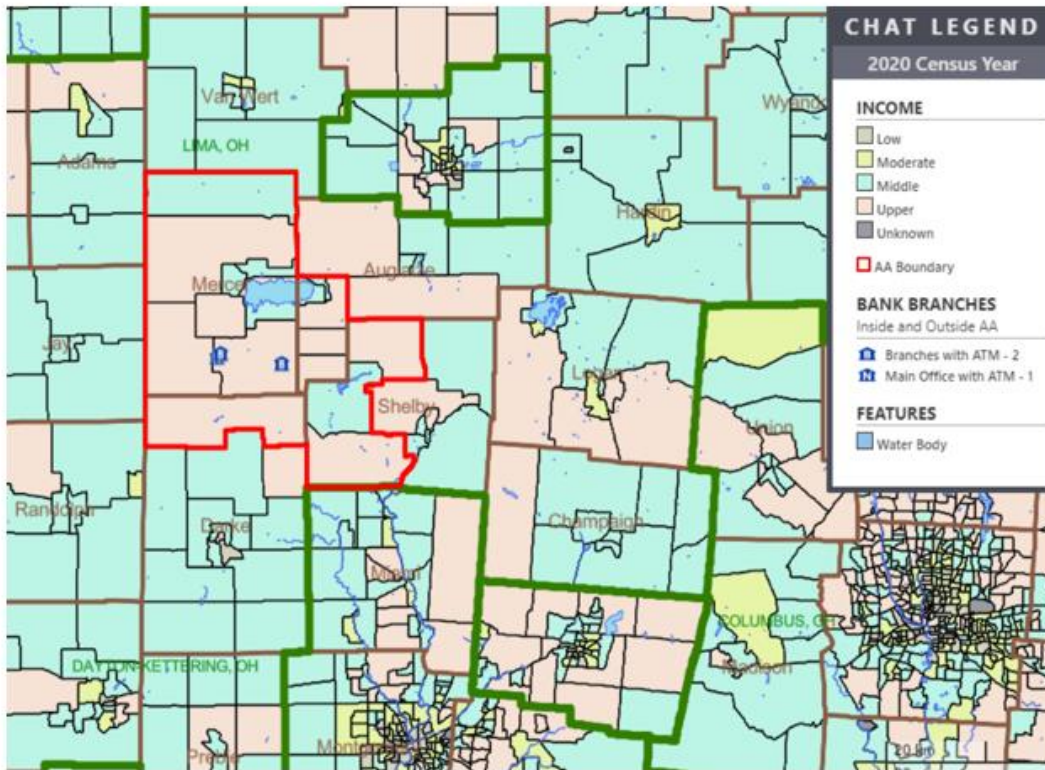
¹⁴ Annualized Persons (ANP): Number CD qualified service hours divided by 2,000 work hours in a year

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank's fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Assessment Area: 2023 Nonmetropolitan Ohio



APPENDIX B – DEMOGRAPHIC INFORMATION

Combined Demographics Report

Assessment Area: Nonmetropolitan Ohio

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%	2,535	12.1%
Moderate-income	0	0.0%	0	0.0%	0	0.0%	3,010	14.4%
Middle-income	7	38.9%	7,516	35.9%	639	8.5%	4,570	21.8%
Upper-income	11	61.1%	13,434	64.1%	456	3.4%	10,835	51.7%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	18	100.0%	20,950	100.0%	1,095	5.2%	20,950	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	13,503	8,819	36.9%	65.3%	2,911	21.6%	1,773	13.1%
Upper-income	19,909	15,075	63.1%	75.7%	3,426	17.2%	1,408	7.1%
Unknown-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Total Assessment Area	33,412	23,894	100.0%	71.5%	6,337	19.0%	3,181	9.5%
	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	917	31.1%	812	31.7%	87	26.5%	18	30.5%
Upper-income	2,029	68.9%	1,747	68.3%	241	73.5%	41	69.5%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	2,946	100.0%	2,559	100.0%	328	100.0%	59	100.0%
	Percentage of Total Businesses:			86.9%		11.1%		2.0%
	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	82	14.3%	81	14.4%	1	11.1%	0	0.0%
Upper-income	490	85.7%	481	85.6%	8	88.9%	1	100.0%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	572	100.0%	562	100.0%	9	100.0%	1	100.0%
	Percentage of Total Farms:			98.3%		1.6%		0.2%

Based on 2023 FFIEC Census Data and 2023 D&B Information

APPENDIX C – LENDING TABLES

Geographic Distribution of Residential Loans

Assessment Area: Nonmetropolitan Ohio

Tract Income Levels	Bank Lending & Demographic Data				
	2023				
	Count		Dollar		Owner Occupied Units
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	0	0.0%	0.0%
Moderate	0	0.0%	0	0.0%	0.0%
Middle	11	15.7%	2,306	14.7%	36.9%
Upper	59	84.3%	13,400	85.3%	63.1%
Unknown	0	0.0%	0	0.0%	0.0%
<i>Total</i>	70	100%	15,706	100%	100.0%

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Percentages may not total 100 percent due to rounding

Geographic Distribution of Small Business Loans

Assessment Area: Nonmetropolitan Ohio

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data				
		2023				
		Count		Dollar		Total Businesses
		#	%	\$ (000s)	\$ %	%
SMALL BUSINESSES	Low	0	0.0%	0	0.0%	0.0%
	Moderate	0	0.0%	0	0.0%	0.0%
	Middle	6	14.0%	995	11.1%	31.1%
	Upper	37	86.0%	7,956	88.9%	68.9%
	Unknown	0	0.0%	0	0.0%	0.0%
	<i>Total</i>	43	100%	8,951	100%	100.0%

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information

Percentages may not total 100 percent due to rounding

Geographic Distribution of Consumer Loans

Assessment Area: Nonmetropolitan Ohio

Tract Income Levels	Bank Lending & Demographic Data				
	2023				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	0	0.0%	0.0%
Moderate	0	0.0%	0	0.0%	0.0%
Middle	4	8.7%	93	14.9%	38.8%
Upper	42	91.3%	533	85.1%	61.2%
Unknown	0	0.0%	0	0.0%	0.0%
<i>Total</i>	46	100%	626	100%	100.0%

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Percentages may not total 100 percent due to rounding

APPENDIX D – 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: 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, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives 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 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 refinancings 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 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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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