

PUBLIC DISCLOSURE

September 3, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank: The Ottoville Bank Company
04394790
161 W 3rd Street
Ottoville, Ohio 45876

Supervisory Agency: Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, Ohio 44101-1387

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of The Ottoville Bank Company prepared, as of September 3, 1996, by the Federal Reserve Bank of Cleveland, the institution's supervisory agency. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A of 12 CFR Part 228.

INSTITUTION'S CRA RATING: This institution is rated "satisfactory."

The assessment of the institution's record takes into account its financial capacity and size, legal impediments, and local economic conditions and demographics, including the competitive environment in which it operates.

The Ottoville Bank Company was rated "outstanding" at the previous CRA examination conducted as of July 20, 1994.

The following table indicates the performance level of The Ottoville Bank Company ("OBC") with respect to each of the five performance criteria.

**SMALL
INSTITUTION
ASSESSMENT
CRITERIA**

**The Ottoville Bank Company
PERFORMANCE LEVELS**

	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Varying Incomes and to Businesses of Varying Sizes	X		
Geographic Distribution of Loans		X	
Response to Complaints		No complaints received.	

DESCRIPTION OF INSTITUTION

OBC, which is located in Putnam County 21 miles east of Findlay, Ohio, is an independent bank with \$37 million in assets. The county is located in the northwestern section of Ohio. The bank offers basic loan and deposit products, including the following types of loans: mortgages, installment and commercial. The loan portfolio by dollar amount includes the following mix:

Loan Type	Percentage of Total Loans
1-4 Family Residential Real Estate	47.4%
Other Real Estate	35.2%
Total Real Estate	82.6%
Loans to Individuals	11.8%
Agricultural	2.0%
Commercial and Industrial	2.7%

OBC has no legal or financial constraints which would impede its ability to provide credit to its community.

DESCRIPTION OF ASSESSMENT AREA

The Ottoville Bank Company defines its assessment area as the southwest corner of Putnam County. There are two block numbering areas ("BNA") in the assessment area. One BNA is middle-income, the other upper-income. The population of the assessment area (10,739) is nearly evenly divided between the two BNAs. The assessment area includes no low-income or moderate-income BNAs.

As of the 1990 census data, the median family income in the assessment area was \$36,967, while the median household income was \$32,297. Household income includes the incomes of all persons residing within a household. However, family income includes only the incomes of persons related by blood or marriage who are living in the household.

The following chart details the distribution of income levels by household and family income for the assessment area:

Income Classification	Household Income	Family Income
Low-Income	15.7%	10.8%
Below-Poverty	7.0%	5.2%
Moderate-Income	11.2%	13.1%
Middle-Income	20.3%	25.4%
Upper-Income	52.7%	50.7%

For areas not part of a metropolitan statistical area, low-income is defined as being up

to 50% of the state nonmetro median income, based on the 1990 census of population and housing. Moderate-income is defined as greater than 50% up to 80% of median income. Middle-income is defined as greater than 80% up to 120% of median income. Upper-income is defined as greater than 120% of median income.

Housing data from the 1990 census indicate that there were a total of 67,650 housing units within the bank's assessment area. Of that number, 72% were owner-occupied, 24% were rental units, and 4% were vacant units. In addition, approximately 86% of the units were 1-4 family units.

The area surrounding The Ottoville Bank Company is primarily nonminority. The racial composition as a percentage of assessment area population is as follows:

Race	% of Assessment Area Population
White	97.1%
Black	1.7%
Asian	.5%
Hispanic	.5%
American Indian	.2%
Other	.0%

According to the 1990 census data, the assessment area continues to maintain a relatively stable labor force of 15,224 individuals. The county's primary sources of industrial activity are agriculture (1,831), manufacturing (3,738), construction (973), government (2025), and total private service producing (6,117). According to the Ohio Bureau of Employment Services, as of October 1996, the unemployment rate in Putnam County was 4.1% and in Van Wert County was 3.9%. Both rates compare favorably with the State of Ohio rate of 4.3% and the national rate of 4.9% for the same period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's CRA performance was analyzed using interagency examination procedures. The analysis included the following criteria:

- ! the loan-to-deposit ratio, the record for lending in the assessment area;
- ! lending activity inside and outside the bank's assessment area;
- ! the reasonableness of the geographic distribution of loans within the bank's assessment area;
- ! the record of lending to borrowers with varying income levels;

- ! the distribution of loans to businesses and farms of different sizes; and
- ! the bank's response to written complaints, if any, concerning its performance in helping to meet the credit needs of its assessment area.

For a bank of its size, location, and financial condition, the average of OBC's quarterly loan-to-deposit ratio was considered to be reasonable at 62%. This ratio was evaluated in terms of the institution's capacity to lend, the loan-to-deposit ratios of similarly situated and competitor banks, and available loan opportunities in the assessment region.

Lending Activity Inside and Outside Assessment Area

A sample of the major loan products was reviewed to determine the lending activity within the bank's assessment area. The following chart details the percentages of loans inside and outside the assessment area by the number and dollar amount of total loan types sampled:

Type of Loan	Inside Assessment Area		Outside Assessment Area	
	No. of Loans	\$ Amount	No. of Loans	\$ Amount
Mortgages	46	90%	7	10%
Commercial	79	95%	7	5%
Installment	44	92%	3	8%

The geographic distribution of loans reflects excellent penetration in the assessment area.

Record of Lending to Borrowers with Various Income Levels

An analysis of mortgage loans based on borrowers' income was performed. Of the various loans reviewed, this was the only loan type on which the bank obtained income information. The following chart indicates the percentages of borrowers' income levels for mortgage loans:

Type of Loan	Income of Borrower			
	Low	Moderate	Middle	Upper
Mortgages	10%	29%	14%	41%

The Ottoville Bank Company's distribution of borrowers, given the demographics of the assessment area, exceeds standards for satisfactory performance and reasonable penetration among individuals of different income levels (including low-and moderate-income).

Geographic Distribution of Loans

An analysis was performed of the location of borrowers by the income level of the BNA. Census tracts and BNAs are defined as low-, moderate-, middle-, or upper-income based on the results of the most recent census data.

The distribution of loans across the assessment area by income level of the BNA is as follows:

	Middle Income	Upper Income
Mortgage	17 (37%)	29 (63%)
Commercial	34 (44%)	43 (56%)
Installment	9 (20%)	35 (80%)

The BNA in which the bank is physically located is upper-income which accounts for the higher percentage of loans generated from this BNA. It may be concluded that the bank has a reasonable distribution of loans and is not restricting its lending efforts to any BNA within the assessment area.

No substantive violations of the Fair Housing Act or fair lending laws were identified during the examination. No complaints were received by the Federal Reserve Bank of Cleveland or The Ottoville Bank Company regarding the bank's performance under the Community Reinvestment Act.