PUBLIC DISCLOSURE

August 9, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Greenville Savings Bank
Certificate Number: 30637

233 Main Street
Greenville, Pennsylvania 16125

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, New York 10118

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 RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.

- The bank made a substantial majority of its home mortgage and small business loans in the assessment area.

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses of different sizes.

- The institution did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Greenville Savings Bank (Greenville) is a full-service, mutually owned community bank headquartered in Greenville, Pennsylvania (PA). The institution received a "Satisfactory" rating from the Federal Deposit Insurance Corporation (FDIC) during its prior evaluation dated July 27, 2015, based on Small Institution Examination Procedures.

In addition to its main branch, Greenville operates two additional full-service branches in Hermitage and New Castle, PA. Both the Hermitage and New Castle branches are located in upper-income census tracts, and the bank's main branch in Greenville is located in a low-income census tract. The bank has not opened or closed any branches, and no merger or acquisition activities occurred since the previous evaluation. Greenville does not have any CRA-related subsidiaries.

Greenville is primarily a residential lender; however, the bank offers a variety of credit and deposit products. The bank's loan products include home mortgages, home equity loans, home equity lines of credit, and small business loans. Greenville provides a variety of deposit services including checking, savings, money market deposit accounts, individual retirement accounts, and certificates of deposit. Alternative banking services include internet and mobile banking, electronic bill pay, and automated teller machines located at each branch.

As of June 30, 2021, the bank reported total assets of approximately $282.6 million, total loans of $202.4 million, total securities of $46.0 million, and total deposits of $238.5 million. There have been no material changes to the bank's financial condition since the previous evaluation.

The following table illustrates the composition of the bank's loan portfolio as of June 30, 2021.

Loan Portfolio Distribution as of 06/30/2021		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	6,635	3.3
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	163,994	81.0
Secured by Multifamily (5 or more) Residential Properties	1,873	0.9
Secured by Nonfarm Nonresidential Properties	24,869	12.3
Total Real Estate Loans	**197,371**	**97.5**
Commercial and Industrial Loans	3,817	1.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	1,266	0.6
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	2	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	9	0.0
Total Loans	**202,447**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Greenville designated two assessment areas, which include all of Mercer, Lawrence, and Crawford Counties. The first assessment area is composed of Mercer County, which is part of the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area (MSA) 49660. The second assessment area is composed of Lawrence and Crawford Counties, which are not part of any MSA.

Greenville's combined assessment area consists of 81 census tracts located in Mercer (30), Lawrence (28), and Crawford (23) Counties. Based on 2015 American Community Survey (ACS) data, the combined assessment area contains 6 low-, 10 moderate-, 56 middle-, and 9 upper-income census tracts.

For additional economic and demographic information, refer to the Description of Institution's Operations section within each individual assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 27, 2015, to the current evaluation dated August 9, 2021. Examiners used the Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include the Lending Test. Please see the appendices for more details on the performance criteria.

Examiners conducted full-scope reviews of the bank's performance in the Youngstown-Warren-Boardman, OH-PA MSA and Non-MSA assessment areas. The bank's performance in the Youngstown-Warren-Boardman, OH-PA MSA assessment area contributed more weight to the overall conclusions, as the bank's operations in the assessment area account for the majority of the institution's operations. As shown in the following table, a majority of the bank's loans, deposits, and branches are located within the Youngstown-Warren-Boardman, OH-PA MSA.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	**Loans**		**Deposits**		**Branches**	
	$(000s)	**%**	**$(000s)**	**%**	**#**	**%**
Youngstown-Warren-Boardman, OH-PA MSA	57,411	74.6	188,487	87.0	2	66.7
Non-MSA	19,545	25.4	28,112	13.0	1	33.3
Total	**76,956**	**100.0**	**216,559**	**100.0**	**3**	**100.0**
Source: Bank Data; FDIC Summary of Deposits (06/30/2020)						

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The volume of home mortgage loans exceeded that of small business loans during the review period. Therefore, the bank's record of originating home mortgage loans contributed more weight to overall conclusions. No other loan types, such as small farm or consumer loans represent a major product line. Therefore, they provided no material support for conclusions or ratings and are not presented.

Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. This evaluation considered all home mortgage loans reported on the bank's 2019 and 2020 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. In 2019, the bank originated 323 loans totaling $30.8 million, and in 2020, the bank originated 351 loans totaling $39.8 million. Examiners used 2019 aggregate data and 2015 ACS data for comparison purposes.

Greenville is not required to report small business loans; however, the bank collected small business loan data. Therefore, examiners analyzed the number and dollar volume of small business loans originated in 2019 and 2020. In 2019, the bank originated 40 loans totaling $3.0 million, and in 2020, the bank originated 84 loans totaling $17.1 million. The increase in small business lending in 2020 was primarily attributed to the bank's participation in the Small Business Administration's

(SBA) Paycheck Protection Program (PPP), an SBA-backed loan program that helped businesses keep their workforces employed during the COVID-19 pandemic. Examiners compared the bank's 2019 and 2020 lending performance to D&B data.

Examiners reviewed the number and dollar volume of home mortgage loans small business loans. Although the evaluation tables present both the number and dollar volume of loans, examiners emphasized performance by number because the number of loans is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Greenville demonstrated reasonable performance under the Lending Test. The bank's performance under the LTD Ratio, Geographic Distribution, and Borrower Profile criteria supports this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 85.1 percent over the past 24 calendar quarters from September 30, 2015 through June 30, 2021. The ratio ranged from a low of 80.9 percent as of December 31, 2016 to a high of 90.8 percent as of September 30, 2019. Overall, the bank's LTD ratio remained stable during the evaluation period.

Examiners compared Greenville's average LTD ratio to that of two similarly situated institutions based on asset size and lending focus. As shown in the following table, the bank's average LTD ratio was lower than Community State Bank of Orbisonia; however, higher than PennCrest Bank. Additionally, the bank's average LTD ratio has trended upward since the previous CRA performance evaluation (81.9 percent).

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 06/30/2021 ($000s)**	**Average Net LTD Ratio (%)**
Greenville Savings Bank	**282,642**	**85.1**
Community State Bank of Orbisonia	413,607	94.0
PennCrest Bank	211,539	80.5
Source: Reports of Condition and Income 09/30/2015 – 06/30/2021		

Assessment Area Concentration

The bank made a substantial majority of home mortgage and small business loans, by number and dollar amount, inside the combined assessment area. Refer to the following table.

Lending Inside and Outside of the Combined Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans $(000s)**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$(000s)**
Home Mortgage										
2019	297	92.0	26	8.1	323	27,295	88.6	3,508	11.4	30,802
2020	321	91.5	30	8.5	351	35,026	88.1	4,751	11.9	39,776
Subtotal	**618**	**91.7**	**56**	**8.3**	**674**	**62,321**	**88.3**	**8,258**	**11.7**	**70,579**
Small Business										
2019	39	97.5	1	2.5	40	2,948	97.5	75	2.5	3,023
2020	74	88.1	10	11.9	84	11,687	68.5	5,378	31.5	17,065
Subtotal	**113**	**91.1**	**11**	**8.9**	**124**	**14,635**	**72.9**	**5,453**	**27.1**	**20,088**
Total	**731**	**91.6**	**67**	**8.4**	**798**	**76,956**	**84.9**	**13,711**	**15.1**	**90,667**
Source: Bank Data. Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. The bank's reasonable performance of home mortgage and small business lending within the Youngstown-Warren-Boardman, OH-PA MSA assessment area primarily supports this conclusion. The bank's performance in the Non-MSA assessment area is below the overall performance. Refer to the individual assessment area sections for details.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. The bank's reasonable performance of home mortgage lending within the Youngstown-Warren-Boardman, OH-PA MSA assessment area primarily supports this conclusion. The bank's performance in the Non-MSA assessment area is above the overall performance. Refer to the individual assessment area sections for details.

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

YOUNGSTOWN-WARREN-BOARDMAN, OH-PA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN YOUNGSTOWN-WARREN-BOARDMAN, OH-PA MSA ASSESSMENT AREA

Economic and Demographic Data

The Youngstown-Warren-Boardman, OH-PA MSA assessment area includes Mercer County in its entirety. The institution operates two of its three branches (66.7 percent) in this assessment area.

The Youngstown-Warren-Boardman, OH-PA MSA assessment area includes 30 census tracts. The demographics of these census tracts include 2 low-, 5 moderate-, 18 middle-, and 5 upper-income census tracts.

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area

Youngstown-Warren-Boardman, OH-PA MSA Assessment Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	6.7	16.7	60.0	16.7	0.0
Population by Geography	115,320	5.0	11.0	64.9	19.1	0.0
Housing Units by Geography	51,662	5.4	13.3	63.0	18.4	0.0
Owner-Occupied Units by Geography	33,564	3.1	8.3	66.6	22.1	0.0
Occupied Rental Units by Geography	11,982	9.3	23.1	56.0	11.7	0.0
Vacant Units by Geography	6,116	10.2	21.6	57.2	11.0	0.0
Businesses by Geography	7,895	5.3	10.1	60.4	24.2	0.0
Farms by Geography	358	0.8	2.5	75.1	21.5	0.0
Family Distribution by Income Level	30,174	17.8	19.9	21.1	41.2	0.0
Household Distribution by Income Level	45,546	21.1	16.7	18.6	43.5	0.0
Median Family Income MSA - 49660 Youngstown-Warren-Boardman, OH-PA MSA		$55,174	Median Housing Value			$108,008
			Median Gross Rent			$622
			Families Below Poverty Level			9.6%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are 51,662 housing units in the assessment area. Of these, 65.0 percent are owner-occupied, 23.2 percent are occupied rental units, and 11.8 percent are vacant.

The Borrower Profile criterion uses the 2019 and 2020 Federal Financial Institutions Examination Council (FFIEC)-updated median family income to analyze home mortgage loans. The following table depicts the low-, moderate-, middle-, and upper-income categories for the assessment area.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Youngstown-Warren-Boardman, OH-PA MSA Median Family Income (49660)				
2019 ($61,300)	<$30,650	$30,650 to <$49,040	$49,040 to <$73,560	≥$73,560
2020 ($62,400)	<$31,200	$31,200 to <$49,920	$49,920 to <$74,880	≥$74,880
Source: FFIEC				

According to 2020 D&B data, there were 7,895 businesses in the assessment area. Gross annual revenues (GARs) for these businesses are below:

- 82.1 percent have $1 million or less,
- 5.4 percent have more than $1 million, and
- 12.5 percent have unknown revenues.

Service industries represent the largest portion of businesses at 38.9 percent; followed by non-classifiable establishments (15.8 percent); retail trade (13.5 percent); finance, insurance, and real estate (7.3 percent); and construction (6.7 percent). In addition, 62.1 percent of area businesses have four or fewer employees, and 87.1 percent operate from a single location.

In March 2020, an emergency declaration (EM-3441) and a major disaster declaration (DR-4506-PA) both related to the COVID-19 pandemic affected the entire assessment area.

<u>Competition</u>

The assessment area is moderately competitive for financial services. According to the 2020 FDIC Deposit Market Share data, 9 financial institutions operated 38 full-service branches within the bank's assessment area. Of these institutions, Greenville ranked fifth with 7.6 percent of the total deposits and 5.3 percent of the total branches in the assessment area.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 166 HMDA lenders reported 2,731 residential mortgages loans in the assessment area. Greenville ranked third out of this group of lenders with a market share of 7.4 percent. The two most prominent lenders (First National Bank of Pennsylvania and Huntington National Bank) accounted for approximately 27.5 percent of the total market share.

The bank is not required to collect or report its small business loan data, and has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparison against aggregate data. The aggregate data, however, reflects the level of demand for small business loans and is therefore included. Aggregate data for 2019 shows that 53 institutions originated 1,620 small business loans in the assessment area, indicating a moderate level of competition for this product. Much larger nationwide lenders such as JPMorgan Chase Bank, NA, American Express National Bank, and PNC Bank, NA captured approximately 38.2 percent of the market by number of originations.

Community Contacts

As part of the evaluation process, examiners contact third parties within the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities.

Examiners contacted two executive directors of local economic development organizations that serve Mercer County. Both contacts indicated that the COVID-19 pandemic has created significant challenges for the local economy. Specifically, the contacts emphasized that the workforce in Mercer County has significantly declined particularly in industries such as food service, manufacturing, and hospitality. The contacts also noted that many businesses are struggling to attract new employees and retain their current workforce.

According to the contacts, housing stock in the area is limited, and homes that stay on the market are often dilapidated. Both contacts indicated that there is opportunity for financial institutions to assist the local communities through home improvement lending.

Credit Needs

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable home mortgage loans, particularly those for low- and moderate-income borrowers, represent a primary credit need for the assessment area. Home improvement loans represent additional credit needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN YOUNGSTOWN-WARREN- BOARDMAN, OH-PA MSA ASSESSMENT AREA

LENDING TEST

Greenville demonstrated reasonable performance under the Lending Test. The bank's reasonable performance under the Geographic Distribution and Borrower Profile criteria primarily supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the geographic distribution of home mortgage loans in low-income census tracts trailed aggregate performance in 2019. In 2020, the bank's lending performance in low-income tracts increased slightly. The geographic distribution of home mortgage loans in moderate-income census tracts was comparable to aggregate performance in 2019. In 2020, the bank's level of lending activity decreased slightly in moderate-income census tracts. Overall, these trends and comparisons reflect reasonable performance.

Geographic Distribution of Home Mortgage Loans Youngstown-Warren-Boardman, OH-PA MSA Assessment Area						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2019	3.1	1.1	1	0.5	100	0.5
2020	3.1	--	3	1.2	53	0.2
Moderate						
2019	8.3	4.9	9	4.5	437	2.4
2020	8.3	--	7	2.9	368	1.4
Middle						
2019	66.6	69.7	144	71.3	13,742	74.5
2020	66.6	--	160	66.1	16,941	64.3
Upper						
2019	22.1	24.3	48	23.8	4,177	22.6
2020	22.1	--	72	29.8	8,999	34.1
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	--	0	0.0	0	0.0
Totals						
2019	**100.0**	**100.0**	**202**	**100.0**	**18,456**	**100.0**
2020	**100.0**	**--**	**242**	**100.0**	**26,361**	**100.0**
Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans
The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the geographic distribution of small business loans in low-income census tracts far exceeded the demographics in 2019. In 2020, the bank's level of lending activity in low-income census tracts decreased as a percent of overall lending; however, performance remained above demographics. In 2019, the bank did not originate any small business loans in moderate-income census tracts. In 2020, the bank's level of lending activity increased, but remained below the demographics. Overall, these trends and comparisons reflect reasonable performance.

Geographic Distribution of Small Business Loans Youngstown-Warren-Boardman, OH-PA Assessment Area					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2019	5.1	4	13.8	318	15.6
2020	5.3	4	6.6	709	6.7
Moderate					
2019	9.8	0	0.0	0	0.0
2020	10.1	4	6.6	2,535	24.0
Middle					
2019	60.4	19	65.5	1,279	62.7
2020	60.4	39	63.9	4,405	41.7
Upper					
2019	24.6	6	20.7	443	21.7
2020	24.2	14	23.0	2,905	27.5
Not Available					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
Totals					
2019	**100.0**	**29**	**100.0**	**2,040**	**100.0**
2020	**100.0**	**61**	**100.0**	**10,554**	**100.0**
Source: 2019 & 2020 D&B Data; Bank Data *Due to rounding, totals may not equal 100.0%*					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's reasonable performance of home mortgage lending primarily supports this conclusion. Examiners focused on the percentage of home mortgage loans to low- and moderate-income borrowers and the percentage of small business loans to businesses with GARs of $1 million or less.

Home Mortgage Loans
The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrows is reasonable. As shown in the following table, the distribution of home mortgage loans to low-income borrowers exceeded aggregate performance in 2019. In 2020, the bank's level of lending activity to low-income borrowers decreased. Although the bank's level of lending activity is well below the demographics, a low-income family in the assessment area, with an income less than $31,200, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of $108,008. In 2019, the distribution of home mortgage loans to moderate-income borrowers was comparable to demographic data and aggregate performance. In 2020, lending to moderate-income borrowers remained consistent and comparable to the demographics.

Distribution of Home Mortgage Loans by Borrower Income Level Youngstown-Warren-Boardman, OH-PA MSA Assessment Area						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2019	17.8	7.5	21	10.4	1,639	8.9
2020	17.8	--	19	7.9	1,617	6.1
Moderate						
2019	19.9	20.8	40	19.8	3,176	17.2
2020	19.9	--	46	19.0	3,664	13.9
Middle						
2019	21.1	23.9	55	27.2	4,800	26.0
2020	21.1	--	53	21.9	5,378	20.4
Upper						
2019	41.2	36.1	75	37.1	7,074	38.3
2020	41.2	--	120	49.6	15,118	57.3
Not Available						
2019	0.0	11.6	11	5.4	1,767	9.6
2020	0.0	--	4	1.7	585	2.2
Totals						
2019	**100.0**	**100.0**	**202**	**100.0**	**18,456**	**100.0**
2020	**100.0**	**--**	**242**	**100.0**	**26,361**	**100.0**
Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans
The distribution of small business loans reflects excellent penetration among businesses of different sizes. As shown in the following table, the bank's performance of lending to businesses with GARs of $1 million or less far exceeded the demographics in 2019 and 2020.

Distribution of Small Business Loans by Gross Annual Revenue Category Youngstown-Warren-Boardman, OH-PA MSA Assessment Area					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2019	79.8	27	93.1	1,642	80.5
2020	82.1	55	90.2	9,462	89.7
>$1,000,000					
2019	6.3	2	6.9	398	19.5
2020	5.4	6	9.8	1,092	10.3
Revenue Not Available					
2019	13.9	0	0.0	0	0.0
2020	12.5	0	0.0	0	0.0
Total					
2019	**100.0**	**29**	**100.0**	**2,040**	**100.0**
2020	**100.0**	**61**	**100.0**	**10,554**	**100.0**

Source: 2019 & 2020 D&B Data, Bank Data.
Due to rounding, totals may not equal 100.0%

NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA ASSESSMENT AREA

Economic and Demographic Data

The Non-MSA assessment area includes Crawford and Lawrence Counties in their entireties. The institution operates one of its three branches (33.3 percent) in this assessment area, specifically in Lawrence County.

The Non-MSA assessment area includes 51 census tracts. The demographics of these census tracts include 4 low-, 5 moderate-, 38 middle-, and 4 upper-income census tracts.

The following table illustrates select demographic characteristics of the Non-MSA assessment area.

Demographic Information of the Assessment Area Non-MSA Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	51	7.8	9.8	74.5	7.8	0.0
Population by Geography	176,505	5.5	7.3	78.1	9.2	0.0
Housing Units by Geography	85,272	6.0	7.2	79.1	7.7	0.0
Owner-Occupied Units by Geography	52,351	2.6	5.9	82.9	8.5	0.0
Occupied Rental Units by Geography	18,659	15.6	12.0	63.8	8.6	0.0
Vacant Units by Geography	14,262	5.7	6.1	85.0	3.3	0.0
Businesses by Geography	12,267	11.4	6.9	70.0	11.7	0.0
Farms by Geography	578	1.6	1.6	92.2	4.7	0.0
Family Distribution by Income Level	47,561	20.6	17.9	21.7	39.8	0.0
Household Distribution by Income Level	71,010	24.8	16.0	18.1	41.1	0.0
Median Family Income Non-MSAs - PA		$56,172	Median Housing Value			$102,403
			Median Gross Rent			$615
			Families Below Poverty Level			11.3%

Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are 85,272 housing units. Of these, 61.4 percent are owner-occupied, 21.9 percent are occupied rental units, and 16.7 percent are vacant.

The Borrower Profile criterion uses the 2019 and 2020 FFIEC-updated median family income to analyze home mortgage loans. The following table depicts the low-, moderate-, middle-, and upper-income categories for the assessment area.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
PA NA Median Family Income (99999)				
2019 ($63,200)	<$31,600	$31,600 to <$50,560	$50,560 to <$75,840	≥$75,840
2020 ($64,900)	<$32,450	$32,450 to <$51,920	$51,920 to <$77,880	≥$77,880
Source: FFIEC				

According to 2020 D&B data, there were 12,267 businesses in the assessment area. GARs for these businesses are below:

- 83.0 percent have $1 million or less,
- 5.5 percent have more than $1 million, and
- 11.5 percent have unknown revenues.

Service industries represent the largest portion of businesses at 37.5 percent; followed by non-classifiable establishments (14.8 percent); retail trade (12.6 percent); finance, insurance, and real estate (8.0 percent); and construction (7.5 percent). In addition, 63.9 percent of area businesses have four or fewer employees, and 88.8 percent operate from a single location.

Competition

The assessment area is moderately competitive for financial services. According to the 2020 FDIC Deposit Market Share data, 12 financial institutions operated 52 full-service branches within the bank's assessment area. Of these institutions, Greenville ranked 12th with 0.9 percent of the total deposits and 1.9 percent of the total branches in the assessment area.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 214 HMDA lenders reported 4,044 residential mortgages loans in the assessment area. Greenville ranked 11th out of this group of lenders with a market share of 2.4 percent. The three most prominent lenders (First National Bank of Pennsylvania, Huntington National Bank, and Northwest Bank) accounted for approximately 25.0 percent of the total market share.

As mentioned previously, the bank is not required to collect or report its small business loan data, and has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparison against aggregate data. The aggregate data, however, reflects the level of demand for small business loans and is therefore included. Aggregate data for 2019 shows that 69 institutions originated 2,514 small business loans in the assessment area, indicating a moderate level of competition for this product. Much larger nationwide lenders such as PNC Bank NA, American Express National Bank, and JPMorgan Chase Bank, NA captured approximately 40.2 percent of the market by number of originations.

<u>Community Contact</u>

As part of the evaluation process, examiners contact third parties within the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities.

Examiners contacted the executive director of a local housing development organization that serves Crawford County. The contact indicated a need for single-bedroom housing. The contact noted there is limited local housing stock and rental prices have increased significantly. As a result, affordable housing is limited for low- and moderate-income households. Additionally, housing that is available is often dilapidated. The contact noted that there is opportunity for financial institutions to assist the local communities through home improvement loans.

<u>Credit Needs</u>

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable home mortgage loans, particularly those for low- and moderate-income borrowers, represent a primary credit need for the assessment area. Home improvement loans represent additional credit needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA ASSESSMENT AREA

LENDING TEST

Greenville demonstrated reasonable performance under the Lending Test. The bank's performance under the Borrower Profile criteria primarily supports this conclusion.

<u>Geographic Distribution</u>

The geographic distribution of loans reflects poor dispersion throughout the assessment area. The bank's poor performance of home mortgage lending primarily supports this conclusion. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor dispersion throughout the assessment area. As shown in the following table, the bank did not originate any loans in low-income census tracts in 2019 and 2020, and did not lend in moderate-income census tracts in 2019. In 2020, the bank's lending activity increased in moderate-income census tracts; however, performance remained below demographics.

Although the geographic distribution of home mortgage loans reflects poor dispersion, limited lending opportunities, high competition, and branch placement present challenges for the bank to penetrate low- and moderate-income census tracts. Specifically, according to 2015 ACS data, there are only 5,098 housing units in the 4 low-income census tracts. Of the housing units, 57.0 percent are rental units and 15.9 percent are vacant units. In the bank's moderate-income census tracts there are only 6,182 housing units. Of the housing units, 36.2 percent are rental units and 14.0 percent of units are vacant.

In addition, loan demand in the low- and moderate-income census tracts is limited as demonstrated by the aggregate data. More specifically, in 2019, 29 lenders originated or purchased 57 residential mortgage loans in the assessment area's low-income census tracts. In the assessment area's moderate-income census tracts, 46 lenders originated or purchased 141 residential mortgage loans. As a $282.6 million bank, Greenville faces significant competition in light of its financial size and resources when compared to the larger national and regional banks and non-depository mortgage lenders. Additionally, the bank has no branches in Crawford County where one low- and two-moderate-income census tracts are located.

Given these performance context factors, the bank's lack of loans in the low- and moderate-income census tracts did not adversely affect the bank's overall rating. Therefore, while the bank's lending performance in the low- and moderate-income census tracts compares unfavorably to the demographics and aggregate performance in 2019 and 2020, examiners attributed minimal weight to the bank's performance in these tracts given the limited opportunities, competition, and branch placement.

Geographic Distribution of Home Mortgage Loans Non-MSA Assessment Area						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2019	2.6	1.4	0	0.0	0	0.0
2020	2.6	--	0	0.0	0	0.0
Moderate						
2019	5.9	3.5	0	0.0	0	0.0
2020	5.9	--	3	3.8	134	1.5
Middle						
2019	82.9	82.6	89	93.7	8,214	92.9
2020	82.9	--	72	91.1	8,153	94.1
Upper						
2019	8.5	12.5	6	6.3	625	7.1
2020	8.5	--	4	5.1	378	4.4
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	--	0	0.0	0	0.0
Totals						
2019	**100.0**	**100.0**	**95**	**100.0**	**8,839**	**100.0**
2020	**100.0**	**--**	**79**	**100.0**	**8,665**	**100.0**
Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the geographic distribution of small business loans in low-income census tracts was slightly below the demographics in 2019. In 2020, the bank's level of lending activity in low-income census tracts increased above demographics. In 2019 and 2020, the bank did not originate any small business loans in moderate-income census tracts.

Geographic Distribution of Small Business Loans Non-MSA Assessment Area					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2019	11.7	1	10.0	65	7.2
2020	11.4	2	15.4	333	29.4
Moderate					
2019	6.7	0	0.0	0	0.0
2020	6.9	0	0.0	0	0.0
Middle					
2019	70.0	6	60.0	525	57.8
2020	70.0	10	76.9	600	53.0
Upper					
2019	11.7	3	30.0	318	35.0
2020	11.7	1	7.7	200	17.7
Not Available					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
Totals					
2019	**100.0**	**10**	**100.0**	**908**	**100.0**
2020	**100.0**	**13**	**100.0**	**1,133**	**100.0**
Source: 2019 & 2020 D&B Data; Bank Data *Due to rounding, totals may not equal 100.0%*					

Borrower Profile

The distribution of borrowers reflects excellent penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's excellent performance of home mortgage lending primarily supports this conclusion. Examiners focused on the percentage of home mortgage loans to low- and moderate-income borrowers and small business loans to businesses with GARs of $1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrows is excellent. As shown in the following table, the bank's lending to low-income borrowers exceeded demographic data and aggregate performance in 2019. In 2020, the bank's lending to low-income borrowers decreased. Although the bank's level of lending activity is below the demographics in 2020, a low-income family in the assessment area, with an income less than $32,450, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of $102,403. In 2019, the bank's lending to moderate-income borrowers significantly exceeded demographic data and aggregate performance. In 2020, lending to moderate-income borrowers increased as a percent of overall lending activity.

Distribution of Home Mortgage Loans by Borrower Income Level Non-MSA Assessment Area						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2019	20.6	8.5	20	21.1	1,439	16.3
2020	20.6	--	11	13.9	882	10.2
Moderate						
2019	17.9	21.3	33	34.7	2,533	28.7
2020	17.9	--	29	36.7	2,971	34.3
Middle						
2019	21.7	23.2	16	16.8	1,519	17.2
2020	21.7	--	16	20.3	1,402	16.2
Upper						
2019	39.8	36.7	26	27.4	3,348	37.9
2020	39.8	--	22	27.8	3,339	38.5
Not Available						
2019	0.0	10.3	0	0.0	0	0.0
2020	0.0	--	1	1.3	71	0.8
Totals						
2019	**100.0**	**100.0**	**95**	**100.0**	**8,839**	**100.0**
2020	**100.0**	--	**79**	**100.0**	**8,665**	**100.0**
Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The distribution of small business loans reflects reasonable distribution of loans to businesses with GARs less than or equal to $1 million. As shown in the following table, the bank's performance of lending to businesses with GARs less than or equal to $1 million trails the demographic data in 2019; however, performance exceeds the demographics in 2020.

Distribution of Small Business Loans by Gross Annual Revenue Category Non-MSA Assessment Area					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2019	80.8	7	70.0	489	53.9
2020	83.0	11	84.6	800	70.6
>$1,000,000					
2019	6.5	3	30.0	419	46.1
2020	5.5	2	15.4	333	29.4
Revenue Not Available					
2019	12.7	0	0.0	0	0.0
2020	11.4	0	0.0	0	0.0
Total					
2019	**100.0**	**10**	**100.0**	**908**	**100.0**
2020	**100.0**	**13**	**100.0**	**1,133**	**100.0**
Source: 2019 & 2020 D&B Data, Bank Data. *Due to rounding, totals may not equal 100.0%*					

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
3) The geographic distribution of the bank's loans;
4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the institution under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.
Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.
Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.