



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**First-Knox National Bank
Charter Number: 7638**

**One South Main Street
Mount Vernon, Ohio 43050**

Office of the Comptroller of the Currency

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NOTE: This evaluation is not, and should not 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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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 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 CRA performance of **First-Knox National Bank (FKNB)**, prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **February 20, 2001**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate - Any company that controls, is controlled by, or is under common control by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) - Affordable 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.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a bank=s record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area 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 (e.g., approved, denied, withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Limited-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

Low-Income - Income levels that are less than 50% of the median family income.

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders= equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

Institution's CRA Rating: "Outstanding"

The following table indicates the performance level of **First-Knox National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First-Knox National Bank		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Excellent lending volume and origination of loans within the assessment areas;
- Excellent borrower and geographic lending distribution;
- Good level of investments;
- Accessible delivery systems to geographies and individuals of different income levels; and
- Good level of community development services.

Description of Institution

First-Knox National Bank (FKNB) is a \$612 million financial institution headquartered in Mount Vernon, Ohio. FKNB is one of five national banks owned by Park National Corporation. Park National Corporation is a \$2 billion holding company headquartered in Newark, Ohio.

FKNB is an intrastate bank with 12 banking offices located in five counties. Four of the counties, Knox, Ashland, Holmes, and Morrow, are in nonmetropolitan areas (NONMSA). The bank has one office in the Mansfield MSA in Richland County. The bank entered Ashland County since the previous evaluation. FKNB acquired the Farmers and Savings Bank in 1987; however, it was maintained under a separate charter. It was merged into FKNB when Park National Corporation acquired FKNB in 1997. The only affiliate data used in this evaluation, at the bank's request, is investments that were specifically allocated to this bank.

FKNB has two assessment areas (AAs); one is the NONMSA and the other is in the Mansfield MSA as mentioned above. Combined, they consist of 30 geographies. These geographies include all of Knox, Holmes, and Morrow Counties and portions of Ashland and Richland Counties. Of the 30 geographies, two (7%) are moderate-income, twenty-four (80%) are middle-income, and four (13%) are upper-income. There are no low-income geographies in the AAs. The bank's AAs are consistent with regulatory requirements and no low- and moderate-income areas were arbitrarily excluded.

FKNB is primarily a consumer lender. FKNB's total loans approximate \$479 million. The loan composition is 48% residential real estate, 13% commercial real estate, 19% commercial loans, 19% consumer loans, and 1% other.

FKNB's deposits are all held within its AAs. The majority of the bank's deposits are held in its NONMSA AA. In the NONMSA AA, FKNB's deposits totaled \$421 million and the bank was ranked the number one deposit-taking institution with a 26% deposit market share. These facts are based on FDIC deposit market share data as of June 30, 2000.

The bank's Tier 1 capital was \$36 million at year-end 2000. The bank is under no financial, legal, or regulatory impediments that limit its ability to help meet the credit needs of its assessment area.

FKNB was rated "Satisfactory" at its last CRA evaluation dated December 29, 1997.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period of the Lending Test is January 1, 1998 through December 31, 2000, for home mortgage loans, and small loans to businesses and farms. We evaluated the community development loans, the Investment Test and the Service Test from January 1, 1998 through February 20, 2001. These dates are based on the time period products were reviewed at the last evaluation.

Market comparisons in this review are based on 1999 aggregate data on home mortgage loans, small loans to businesses, and small loans to farms originated and purchased within the bank's AAs by all reporting institutions. Deposit market data compiled by the Federal Deposit Insurance Corporation is used in this analysis. The most recent and available information is as of June 2000.

Data Integrity

HMDA data used to analyze the bank's lending performance was reviewed for accuracy. We sampled 40 applications taken by the bank during 1999, and January through September 2000. We only found minor exceptions that were not considered a significant misrepresentation of relevant HMDA data.

Loans to small businesses used to analyze the bank's lending performance were reviewed for accuracy. We sampled 59 loans originated by the bank during 1999 and January through September 2000. We found a high number of errors primarily involving the proper reporting of loans secured by residential real estate and geocoding of the loan location. The bank made necessary adjustments to all data for the review period, including the 1998 data. We performed a subsequent review that disclosed only minor errors that were then corrected by the bank. In our analysis of small loans to businesses and farms, we used loan data adjusted by the bank that more accurately reflects proper CRA reporting.

We found that the bank's lists of qualified investments and community development (CD) services included erroneous data. We modified the lists to accurately reflect qualified investments and CD services that meet regulatory definitions. None of the CD loans listed by the bank met the CD purpose. Therefore, some of the activities submitted by the bank for consideration were excluded from this evaluation because they did not meet the definition of CD loans, qualified investments or CD services.

Selection of Areas for Full-Scope Review

Out of the bank's two AAs, we selected the bank's NONMSA AA to receive a full-scope review. The data contained in the tables in Appendix C was evaluated for each bank assessment area and was factored into our conclusions. However, for the full-scope area, additional information was developed concerning credit and community development needs, and opportunities for community development activities. Individual community development services and qualified investments were reviewed to assess qualitative factors such as complexity, innovation, leadership, and responsiveness to identified needs.

The bank's NONMSA AA contains a substantial majority of the AAs geographies (87%), the bank's deposits (94%), HMDA loans (94%) and small loans to businesses (95%).

A limited- scope review was performed for the bank's other AA, Richland County in the Mansfield MSA. This AA contains six percent of the bank's deposits and less than 10% of the bank's total branches, and HMDA and small loans to businesses.

See information listed in Appendix B for more information.

Ratings

The bank's overall rating is based primarily on the bank's performance under the Lending, Investment and Service Tests in the AA that received a full- scope review. The Lending Test is weighed most heavily in determining the bank's overall rating.

Community Contacts

Discussions were held with representatives of two housing entities that cover the City of Mount Vernon and Knox County. These entities provide new home construction or provide technical assistance to the City of Mount Vernon and Knox County regarding obtaining grants for housing needs (rehabilitation, home improvement, and home repair) of low- and moderate-income persons or low- and moderate-income neighborhoods. See Appendix B for detail.

Fair Lending Review

An analysis of the most recent HMDA, small business, and small farm lending data, public comments, and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed as of September 1997.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the Lending Test is rated "Outstanding."

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance in its NONMSA AA is excellent.

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

FKNB's lending volume is excellent.

The bank's loan originations/purchases during the review period were home mortgage loans (40%), small loans to businesses (48%), and small loans to farms (12%).

When determining conclusions for the Lending Test, we weighed small loans to businesses and home mortgage loans equally because the bank is a consumer lender.

Among home mortgage loan originations/purchases, 35% were for home purchase, 58% were for home mortgage refinance, and 7% were for home improvement. Based on these percentages, and identified credit needs for affordable housing and housing rehabilitation, we gave equal consideration to home purchase, refinance, and home improvement.

In the AA, FKNB ranks first in terms of deposit market share (26%).

Based on 1999 aggregate data, FKNB is the largest originator/purchaser of home purchase loans and refinance loans, with a market share of 12% and 13%, respectively. FKNB is the third largest originator/purchaser of home-improvement loans with a market share of 9%. The home improvement market is much smaller than the home purchase and refinance market. The bank's home-equity lines of credit include funds for home improvement; however, the bank elected not to collect optional data on these lines of credit for consideration in this evaluation. A large multi-state regional bank leads the home-improvement market with a 25% market share.

Based on 1999 CRA aggregate data, FKNB is the largest originator/purchaser of small loans to businesses and small loans to farms. As mentioned earlier, adjustments were made to the bank's small loans to business that are not reflected in the published 1999 data. However, the extent of the adjustments did not appear to extinguish the bank from being the lead lender of small loans to businesses in the AA.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is excellent. FKNB is the number one lender of home purchase loans and refinance loans in this AA. Also, FKNB is the number one lender of refinance loans and the number two lender of home purchase loans in moderate-income geographies in this AA.

Home purchase loan geographic distribution is excellent. The portion of home purchase loans made in moderate-income geographies significantly exceeds the portion of owner-occupied units that are within those geographies. The market share for loans made in moderate-income geographies exceeds FKNB's overall market share for home purchase loans. FKNB is second largest lender of home purchase loans in moderate-income geographies in this AA.

Home improvement loan geographic distribution is excellent. The portion of home improvement loans made in moderate-income geographies exceeds the portion of owner-occupied units that are within those geographies. The market share for loans made in moderate-income geographies exceeds FKNB's overall market share for home improvement loans.

Refinance loan geographic distribution is excellent. The portion of refinance loans made in moderate-income geographies exceeds the portion of owner-occupied units that are within those geographies. The market share for loans made in moderate-income geographies is slightly less than FKNB's overall market share for refinance loans. However, the bank is the largest lender of refinance loans and of refinance loans in moderate-income geographies in this AA.

Small Loans to Businesses

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. FKNB is the number one lender of small loans to businesses in this AA.

FKNB's portion of small loans to businesses in moderate-income geographies exceeds the percent of businesses in the moderate-income geographies. FKNB's market share of small loans to businesses in moderate-income geographies exceeds its overall market share for small loans to businesses.

Small Loans to Farms

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

FKNB's geographic distribution of small loans to farms is excellent. FKNB is the number one lender of small loans to farms in this AA.

The portion of small loans to farms in moderate-income geographies exceeds the portion of farms located in those geographies. However, the bank's market share of small loans to farms in moderate-income geographies is slightly less than the bank's overall market share for small loans to farms.

Lending Gap Analysis

Reports detailing FKNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. The bank made at least one loan in each geography in this AA. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

A substantial majority of FKNB's home mortgage loans, small loans to businesses, and small loans to farms that were originated during the evaluation period were within FKNB's AAs.

The bank made a substantial majority of its HMDA loans (93%), small loans to businesses (89%), and small loans to farms (89%) within its AAs. This performance was positively factored into the overall analysis of the geographic distribution.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank's overall borrower distribution of home mortgage loans is excellent. The bank is the number one lender of home purchase loans and refinance loans to low- and moderate-income borrowers in this AA.

Home purchase loan borrower distribution is excellent. The portion of home purchase loans to low-income borrowers is less than the portion of families that are defined as such. However, it is considered good based on the lack of availability of new homes and home purchase opportunities. Within this AA, there is a high level (12%) of households living below the poverty level. Seventy one percent of the homes in this AA are owner-occupied and home sales are low. New affordable housing construction has been very limited. The bank's market share for home purchase loans to low-income borrowers exceeds the bank's overall market share. Also, the bank is the lead lender of home purchase loans to low-income borrowers.

The portion of home purchase loans to moderate-income borrowers exceeds the portion of families that are defined as such. In addition, the bank's market share for loans made to moderate-income borrowers exceeds its overall market share for home purchase loans. The bank is the leader of originating/purchasing home purchase loans, including home purchase loans to moderate-income borrowers in this AA.

Home improvement loan borrower distribution is excellent. The bank's portion of home improvement loans to low-income borrowers is slightly less than the portion of families that are defined as such. It is considered excellent considering the competition from one large regional bank that dominated the market. The AA's home improvement market to low-income borrowers in 1999 was relatively small and consisted of 33 loans. All competitors, including the dominant bank, individually originated/purchased less than 10 loans. However, the bank's market share for home improvement loans to low-income borrowers exceeds the bank's overall home improvement market share.

The bank's portion of home improvement loans to moderate-income borrowers exceeds the portion of families that are defined as such. Market share for loans to moderate-income borrowers is slightly less than the bank's overall home improvement market share.

Refinance loan borrower distribution is good. FKNB is the largest lender of refinance loans to both low- and moderate-income borrowers in this AA.

The portion of refinance loans to low-income borrowers is significantly less than the portion of families defined as such. However, it is considered adequate given the high level of competition for these types of loans. The market in 1999 consisted of fifty-seven lenders that made an aggregate 195 refinance loans to low-income families. FKNB with 25 loans was the lead lender of refinance loans to low-income borrowers. The second highest lender of refinance loans to low-income borrowers made 15 loans. The bank's refinance market share for low-income borrowers is slightly less than its overall refinance market share.

The bank's portion of refinance loans to moderate-income borrowers is marginally less than the portion of families defined as such. The bank's market share for loans made to moderate-income borrowers exceeds FKNB's overall market share for refinance loans.

Small Loans to Businesses

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent. FKNB's percentage of lending to businesses with revenues of \$1 million or less exceeds the percentage of lending to businesses within the AA that have revenues of \$1 million or less. An accurate market share of lending to businesses with revenues of \$1 million or less was not available because of errors in the bank's publicly filed data as mentioned earlier in this evaluation. FKNB does have a good percentage of small

loans in amounts of \$100 thousand or less.

Small Loans to Farms

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

The borrower distribution of small loans to farms is excellent. FKNB's percentage of lending to farms with revenues less than \$1 million is approximately equal to the percentage of farms in the AA that have revenues of \$1 million or less.

Additionally, the bank's market share of lending to farms with revenues of \$1 million or less exceeds its market share for overall small loans to farms. FKNB has a significant percentage of its small loans to farms in amounts of \$100 thousand or less.

Community Development Lending

The bank did not have community development loans during this review period.

Product Innovation and Flexibility

Product flexibility had a positive impact on the Lending Test conclusions.

FKNB participates in flexible mortgage-related lending programs that serve low- and moderate-income borrowers. The programs are not considered innovative.

The bank participates in the Community Housing Improvement Program (CHIP) First Time Homebuyer Program. This program provides assistance to low- and moderate-income borrowers that lack adequate financial resources. The bank originated two loans totaling \$60,000 under this program.

The bank participates with the Kno-Ho-Co Community Action Commission's program to provide affordable housing for low- and moderate-income persons. The bank originated one loan totaling \$38,000 under this program.

The bank participates in the Rural Development Loan Program. This program assists persons in receiving home loans. To qualify for the program persons must meet low-income guidelines. The bank originated 29 loans totaling \$2,017,000 under this program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited scope review, the bank's performance under the Lending Test in the Mansfield MSA AA is not inconsistent with the bank's overall "outstanding" performance under the Lending Test.

INVESTMENT TEST

The bank's performance under the Investment Test is rated "High Satisfactory."

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance in its NONMSA AA is good.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

FKNB has a good level of qualified community development investments. FKNB exhibits a good responsiveness to credit and community economic development needs in the AA, which include affordable housing. The bank's volume of investments is good given its size and capacity, and the limited level of opportunities in the AA. Some consideration was given to the fact that the bank has a significant volume of investments; however, a large amount has yet to be funded. The investments are not considered innovative or complex. Refer to the Market Profile in Appendix B.

During the evaluation period, FKNB made 31 investments totaling \$404,000. These investments primarily consist of low-income housing tax credits (LIHTC).

The bank's parent Park National Corporation has invested in LIHTCs since 1991 and distributes the investments to its affiliates based on their relative asset size. The LIHTCs are purchased through The Ohio Capital Corporation that is authorized to do housing projects within the State of Ohio, including the bank's AA. FKNB's funded portion for the LIHTCs for the review period is \$73,000. A considerable amount of the LIHTCs has yet to be funded; the bank's unfunded commitment is \$2,098,000.

Additionally, the bank's prior period investment in LIHTCs is \$299,000. Prior period investments were given significant consideration because they continue to help meet important affordable housing needs in the AA.

LIHTC projects initiated during the review period that are in the bank's AA include:

- The Centerburg Courts Project consists of 36 low-income housing units.
- Ashland Terrace project consists of 40 low-income housing units.

FKNB made 21 donations totaling \$32,000 to various community organizations that provide housing, business, and social services, and civic organizations formed to provide services to low- and moderate- income persons and in low- and moderate-income geographies.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited scope review, the bank's performance under the Investment Test in the Mansfield MSA AA is weaker than the bank's overall "high satisfactory" performance under the Investment Test. The weaker performance is primarily the result of a lower volume of investments. This was considered in the overall conclusions, but did not negatively impact the Investment Test rating.

SERVICE TEST

The bank's performance under the Service Test is rated "High Satisfactory."

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance in its NONMSA AA is good.

Retail Banking Services

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings.

FKNB's offices are accessible to geographies and individuals of different income levels throughout its AA. FKNB offers full financial services at all but one branch as detailed below and business hours do not vary in a way that inconveniences any portion of the AA.

FKNB has no low-income geographies in its AA and two moderate-income geographies within this AA. FKNB's branches are geographically situated predominantly in middle-income geographies. During the evaluation period, FKNB opened one branch in a moderate-income geography. No branches in this AA were closed.

The bank has one branch in the moderate-income geography that was opened in February 2001. This branch is located in a retirement center and only provides services to the residents at the center. The bank's percent of branches in moderate-income geographies exceeds the percentage of the population in those geographies. Although the bank has limited services at its moderate-income branch, its performance is good considering that the moderate-income geographies have limited population and they are in close proximity to FKNB branches located in middle-income geographies. The bank has excellent lending performance and a branch located in a high traffic retail area that serves all persons, including low- and moderate-income.

A limited population (7%) resides in the moderate-income geographies. Also, the moderate-income geographies represent eight percent of the geographies in the AA and seven percent of the bank's total geographies in both AAs. Of the total low- and moderate-income families in the AA, 10% of those families are located in the moderate-income geographies. The moderate-income geographies are surrounded by middle-income geographies that encompass banking offices of FKNB. Reportedly, the furthest point of the moderate-income geographies is three miles from the bank's main office.

FKNB is meeting the lending needs of the moderate-income area. FKNB did an excellent job in home mortgage lending, small lending to businesses and small lending to farms in the moderate-income geographies in its AA as previously indicated under the Lending Test.

FKNB's hours and services offered throughout the AA are good. The bank's general branch hours and services in the AA are comparable to other lenders, except at the Coshocton Road office. This office opens daily from 8 a.m. to 7 p.m., with drive-in hours from 7 a.m. to 7 p.m.; Saturday hours are from 8 a.m. to 3 p.m.; with drive-in hours from 7 a.m. to 3 p.m. No other financial institution in the area offers these hours. The Coshocton Road branch is located in the major retail area of Mount Vernon. The Coshocton Road branch is in a middle-income geography; however, it is within a mile of the moderate-income geographies.

FKNB's deposit products include an account used by individuals with limited and low-income, the "Student Friendly Checking" account. It offers free travelers checks, a prepaid phone card, a \$50 line of credit overdraft protection, and 50 free standard personalized checks.

FKNB started a program in conjunction with the Mideast Ohio Regional Council (MEORC). MEORC assists low- and moderate-income persons with their finances. FKNB offers such individuals a program, with a no-cost checking account that includes no ATM usage or check writing fees. Individuals are also provided a Visa debit card. The bank has set up five such accounts.

FKNB's ATM network, part of the MAC system, is a convenient alternative delivery system for offering its retail banking services to all individuals in the AA, including low- and moderate-income individuals. The ATMs are either drive-up or walk-up facilities. FKNB's ATMs are not located in the moderate-income areas in the AA. However, FKNB has made access to banking more convenient by positioning ATMs at two local hospitals, the local college, and two automotive establishments.

FKNB's offers a 24-Hour Express Line and account access through Internet Banking. These delivery systems allow customers access to their accounts without having to enter a physical branch site. Customers may obtain deposit and loan account information, transfer funds between accounts at the bank, and make loan payments.

The alternative delivery systems are not specifically targeted to low- and moderate-income families or geographies. Since data on how these systems affect low- and moderate-income individuals or low- and moderate-income geographies was not available, significant weight could not be placed on the alternative delivery systems when drawing conclusions on the Service Test.

Community Development Services

FKNB's performance in providing community development (CD) services to its AA is good. The bank has a relatively high level of CD services. Bank management serves with the major community groups in the area that are active in meeting community development needs. The bank's CD services are centered in entities that provide services to assist low- and moderate-income persons with jobs and finances.

FKNB participates with the Mideast Ohio Regional Council (MEORC) and New Hope Industries. These entities help low- and moderate-income mentally challenged persons obtain assistance in administering their finances. Members of FKNB have worked with these agencies to establish special deposit services to the low- and moderate-income individuals served by these groups.

FKNB works with the Knox County Career Center. This agency offers a Customer Training Employment Certification (CTEC) Program. The CTEC program is a certification process by which individuals can become certified in entry-level, customer service employment. Participants in this program include a high percentage (85%-90%) of persons that are employed at the minimum wage, laid-off, or unemployed with an income at or below poverty. FKNB was instrumental in the development, implementation, and ongoing commitment of this program through its leadership, instruction of classes and monetary support.

FKNB participates with the Mount Vernon Development Center (MVDC) Diversified Products & Services Board. This group seeks jobs that are primarily for low- and moderate-income persons. The jobs are low-skilled and consist primarily of packing items for delivery. A FKNB commercial lender is a part of this board and assists in funding policies for the entity and finding tasks/jobs for residents at MVDC.

FKNB participates with the United Way. The United Way is a charitable organization whose mission is to provide assistance to those in need, particularly persons with low- and moderate-incomes. FKNB's president and chief executive officer served as vice-chairperson and assists in the budgeting process.

FKNB participated with Habitat for Humanity. Habitat is an organization established to create housing for low- and moderate-income individuals. A bank employee served as treasurer of this committee. Tasks included financial responsibility for fiscal transactions and the preparation of the annual audit.

The bank has sponsored eight "First Time Homebuyer Seminars." These seminars targeted low- and moderate-income individuals. Two of the seminars were conducted by The Rural Development Agency. This Agency provides special housing programs for low- and moderate-income buyers.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited scope review, the bank's performance under the Service Test in the Mansfield MSA AA is not inconsistent with the bank's overall "high satisfactory" performance under the Service Test.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term AFull-Scope≡) and those that received a less comprehensive review (designated by the term ALimited-Scope≡).

Time Period Reviewed	Lending Test: January 1, 1998 to December 31, 2000 Investment Test: January 1, 1998 to February 20, 2001 Service Test: January 1, 1998 to February 20, 2001	
Financial Institution	Products Reviewed	
First-Knox National Bank	Home mortgage loans Small business loans Small farm loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Park National Corporation	Parent	Qualified investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Non-MSA (Knox, Holmes, Morrow Counties and portion of Ashland County)	Full-Scope	
Mansfield MSA #4800-portions of Richland County	Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews	
Non-Metropolitan AA	B-2

FKNB-NONMSA

Demographic Information for Full Scope Area: FKNB-NONMSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	0.00	7.69	88.46	3.85	0.00
Population by Geography	121,070	0.00	7.06	88.44	4.50	0.00
Owner-Occupied Housing by Geography	31,138	0.00	6.37	90.48	3.15	0.00
Business by Geography	4,287	0.00	6.62	90.23	3.15	0.00
Farms by Geography	960	0.00	0.73	98.33	0.94	0.00
Family Distribution by Income Level	32,176	18.23	20.91	25.21	35.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,594	0.00	10.18	87.88	1.94	0.00
Median Family Income		30,562	Median Housing Value		50,708	
HUD Adjusted Median Family Income for 2000		45,300	Unemployment Rate (1990 US Census)		4.49%	
Households Below Poverty Level		13.59%				

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 2000 HUD Updated MFI.

FKNB's NONMSA assessment area (AA) consists of 26 contiguous geographies. These geographies include all of Knox, Holmes, and Morrow Counties and portions of Ashland County. Of the 26 geographies, two (8%) are moderate-income, twenty-three (88%) are middle-income, and one (4%) is upper-income. There are no low-income geographies in the AA. The bank's AA is consistent with regulatory requirements and no low- and moderate-income areas were arbitrarily excluded.

The NONMSA AA is primarily comprised of rural areas. Most of the population is in the middle-income geographies. Low- and moderate-income individuals are fairly distributed throughout the AA. The AA includes mostly older homes; the median year built is 1961. Most of the housing is owner-occupied single family homes. The bank's two moderate-income geographies are near and around the downtown of Mount Vernon, Ohio. Only 7% of the population resides in the moderate-income geographies. These areas are primarily residential and have very limited small businesses; large retail chains are in nearby middle-income geographies. Newer home construction has occurred in the middle-income geographies in the AA. There has been limited new construction of affordable homes. Within the City of Mount Vernon, construction has been limited to in-fill lots.

The work force throughout the AA is relatively small and ranges from 14,600 to 26,400 persons per county. Unemployment rates throughout this AA are higher than the unemployment rate of the State of Ohio. As of December 31, 2000, the unemployment rates for all counties in the AA, except in Holmes County, were higher than the State of Ohio's unemployment rate of 3.7%.

Knox County is the main portion of the bank's AA. The bank is headquartered in Mount Vernon which is the only city in this County; other areas are villages. Within Knox County, FKNB is the lead deposit-taking institution. Knox County is located in the central portion of the State of Ohio. The area is known for its cultural atmosphere. Manufacturing, services and trade are the major industries. The major employers include Ariel Corp, the Kenyon and Mount Vernon Nazarene Colleges, and the Knox Community Hospital. The labor force for Knox County is 26,000 persons. The unemployment rate is fairly stable. As of December 31, 2000, the unemployment rate for Knox County is 3.8%.

Holmes County is located in the east-central part of the State of Ohio. This is the bank's second major market. The major industry is manufacturing. Major employers include Collins & Aikman Corp, Owens-Illinois/Owens, and Wayne-Dalton Corp. The labor force for Holmes County is 19,400 persons. The unemployment rate is fairly stable. As of December 31, 2000, the unemployment rate for Holmes County of 2.2% is the lowest in this AA.

Morrow County is located in the central portion of the State of Ohio. The major industries are manufacturing, government, and trade. The major employers include several local schools, HPM Corp, Berkshire Hathaway/Scott Fetzer/Stahl, and Englefield Oil Co. The labor force for Morrow County is 14,600. The unemployment rate has shown improvement over the last year. As of December 31, 2000, the unemployment rate for Morrow County of 4.1% is down from 5.1% a year earlier.

Ashland County is in the north-central part of the State of Ohio. The major industries are manufacturing and services. Major employers include Abbott Laboratories, Inc., Landroll, Inc., Ashland University, and Samaritan Regional Health System. The labor force for Ashland County is fairly stable. The unemployment rate is fairly stable; it was 4.0% as of December 31, 2000.

Two community contacts were made during this evaluation. These contacts included a local housing organization and a consulting firm that assists the City of Mount Vernon and Knox County on housing issues.

Identified community needs include rehabilitation of owner-occupied and rental units, and home repair in the moderate-income areas. Also, affordable new single family home construction for low- and moderate-income persons was identified as a credit need.

The AA has two housing organizations that are not very active. One organization built a cluster of homes, including affordable homes for low- and moderate-income persons approximately three years ago. The other concern builds approximately one affordable home a year; funding for this organization consists of primarily donations and income from borrower's housing payments. Housing needs are being addressed by the City of Mount Vernon and Knox County administration. Economic development is primarily through the local and county government offices, and a few non-profit organizations. There were no local school bonds in low- or moderate-income geographies, nor economic development investments identified. Overall, the opportunities for CD loans and investments were limited.

Local competition in Mount Vernon is moderate. There is a local credit union, an office of a large thrift headquartered in Ravenna, Ohio, along with offices of two large regional bank holding companies: National City Bank, N.A., Cleveland, Ohio, and First Merit, N.A., Akron, Ohio. Competition is high when considering out-of-area large mortgage companies.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the Abank \cong include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home- Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home- Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank=s AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank=s AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent

aggregate market data available.

Table 12. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 1. Lending Volume

LENDING VOLUME												Evaluation Period: 01/01/1998 TO 12/31/2000											
MSA/Assessment Area	% of Rated Area Deposits in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans (#) in AA											
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)												
Full Scope																							
FKNB-NONMSA	93.97	1,741	133,782	2,143	150,927	522	16,875	0	0	4,406	301,584	94.85											
Limited Scope																							
FKNB-MSA 4800 -Richland County	6.03	121	8,856	103	5,782	15	491	0	0	239	15,129	5.15											

* Deposit Data as of June 30, 2000

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1998 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
FKNB-NONMSA	0.00	0.00	6.37	14.02	90.48	80.47	3.15	5.51	1	11.63	0.00	14.47	11.22	14.89	599	95.84
Limited Scope																
FKNB-MSA 4800 -Richland County	0.00	0.00	0.00	0.00	28.70	73.08	71.30	26.92	16	1.44	0.00	0.00	3.82	0.70	26	4.16

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1998 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
FKNB-NONMSA	0.00	0.00	6.37	7.14	90.48	88.10	3.15	4.76	3	8.84	0.00	13.04	8.46	12.50	126	88.73
Limited Scope																
FKNB-MSA 4800 -Richland County	0.00	0.00	0.00	0.00	28.70	81.25	71.30	18.75	5	7.69	0.00	0.00	17.86	2.00	16	11.27

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1998 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
FKNB-NONMSA	0.00	0.00	6.37	7.19	90.48	88.78	3.15	4.04	1	13.49	0.00	12.38	13.21	28.57	1,016	92.79
Limited Scope																
FKNB-MSA 4800 -Richland County	0.00	0.00	0.00	0.00	28.70	79.75	71.30	20.25	8	3.38	0.00	0.00	7.96	1.47	79	7.21

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL BUSINESS																
Evaluation Period: 01/01/1998 TO 12/31/2000																
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
FKNB-NONMSA	0.00	0.00	6.62	7.28	90.23	89.78	3.15	2.94	1	31.18	0.00	57.47	31.18	22.96	2,143	95.41
Limited Scope																
FKNB-MSA 4800 -Richland County	0.00	0.00	0.00	0.00	26.46	75.73	73.54	24.27	8	3.16	0.00	2.52	5.14	1.46	103	4.59

* Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL FARM		Evaluation Period: 01/01/1998 TO 12/31/2000														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
FKNB-NONMSA	0.00	0.00	0.73	1.15	98.33	97.51	0.94	1.34	1	57.91	0.00	50.00	58.04	66.67	522	97.21
Limited Scope																
FKNB-MSA 4800 -Richland County	0.00	0.00	0.00	0.00	49.57	53.33	50.43	46.67	2	12.00	0.00	0.00	7.14	22.22	15	2.79

* Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HMDA HOME PURCHASE										Evaluation Period: 01/01/1998 TO 12/31/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
FKNB-NONMSA	18.23	10.02	20.91	23.04	25.21	26.88	35.65	39.07	1	11.63	17.59	12.24	13.39	12.55	599	95.84
Limited Scope																
FKNB-MSA 4800 -Richland County	10.07	11.54	14.51	26.92	22.94	38.46	52.48	23.08	16	1.44	0.00	4.35	1.22	0.81	26	4.16

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available. No information was available for 1% of home purchase loans.

*** Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1998 TO 12/31/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
FKNB-NONMSA	18.23	14.29	20.91	25.40	25.21	26.98	35.65	32.54	3	8.84	9.09	6.76	9.92	9.68	126	88.73
Limited Scope																
FKNB-MSA 4800 -Richland County	10.07	18.75	14.51	6.25	22.94	31.25	52.48	43.75	5	7.69	14.29	0.00	13.04	5.41	16	11.27

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available. No information was available for .79% of loans originated by BANK.

*** Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE																
Evaluation Period: 01/01/1998 TO 12/31/2000																
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Mortgage Refinance Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
FKNB-NONMSA	18.23	7.87	20.91	19.29	25.21	28.84	35.65	42.91	1	13.49	12.82	13.55	13.39	18.53	1,016	92.79
Limited Scope																
FKNB-MSA 4800 -Richland County	10.07	6.33	14.51	20.25	22.94	35.44	52.48	37.97	8	3.38	2.63	2.44	4.19	4.18	79	7.21

* Based on 1999 Aggregate HMDA Data only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available. No information was available for 1.08% of loans originated by BANK.

*** Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL BUSINESS		Evaluation Period: 01/01/1998 TO 12/31/2000							
MSA/Assessment Area	Businesses With Revenues of \$1 million or less		% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*		Total Small Loans to Businesses	
	% Business**	% Bank Loans***	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total****
Full Scope									
FKNB-NONMSA	87.75	89.08	84.13	10.03	5.83	31.18	37.60	2,143	95.41
Limited Scope									
FKNB-MSA 4800 -Richland County	90.49	87.38	85.44	9.71	4.85	3.16	3.94	103	4.59

* The market consists of all other Small Business reporters in BANK's assessment area and is based on 1999 Aggregate Small Business Data only

** Businesses with revenues of \$1 million or less as a percentage of all businesses.

*** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

**** Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL FARM		Evaluation Period: 01/01/1998 TO 12/31/2000							
MSA/Assessment Area	Businesses With Revenues of \$ 1million or less		% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans	
	% Farms**	% Bank Loans***	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total****
Full Scope									
FKNB-NONMSA	99.27	99.23	94.44	5.36	0.19	57.91	59.65	522	97.21
Limited Scope									
FKNB-MSA 4800 - Richland County	100.00	100.00	93.33	0.00	6.67	12.00	14.29	15	2.79

* The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1999 Aggregate Small Business Data only

** Farms with revenues of \$ 1 million or less as a percentage of all farms.

*** As a percentage of loans with borrower income information available.

**** Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS									
Evaluation Period: 01/01/1998 TO 02/20/2001									
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Scope									
FKNB-NONMSA	7	299	24	105	31	404	96.19	3	2,025
Limited Scope									
FKNB-MSA 4800 -Richland County	7	12	5	4	12	16	3.81	3	84

* 'Prior Period Investments' means investments made in a previous evaluation period that remains outstanding as of the examination date.

** "Unfunded Commitments" means legally binding commitments that are tracked and recorded by the bank's financial reporting system..

Table13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Evaluation Period: 01/01/1998 TO 02/20/2001			
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings						Population						
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net change in Location of Branches (+ or -)				% of the Population with Each Geography*						
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
Full Scope																				
FKNB-NONMSA	93.97	11	91.67	0.00	9.09	81.82	9.09	0	1	0	1	0	0	0.00	7.06	88.44	4.50			
Limited Scope																				
FKNB-MSA 4800 -Richland County	6.03	1	8.33	0.00	0.00	100.00	0.00	1	0	0	0	-1	0	0.00	0.00	28.05	71.95			

* The percentage of the population in the MSA/AA that resides in these geographies.