



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

September 03, 2002

### **Community Reinvestment Act Performance Evaluation**

**The Second National Bank Of Warren  
Charter Number: 2479**

**108 Main Street, S.W.  
Warren, OH 44482**

**Office of the Comptroller of the Currency**

**ADC – Cleveland Field Office  
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**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **The Second National Bank Of Warren** with respect to the Lending, Investment, and Service Tests:

Performance Levels	The Second National Bank Of Warren Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
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:

- The bank's lending levels reflect a good responsiveness to the AA credit needs.
- The bank's geographic distribution of loans is adequate.
- The bank's distribution of loans by the income level of the borrower is adequate.
- Given the opportunities within the bank's AA, the level of qualified investments is adequate.
- The bank's delivery systems are reasonably accessible to all geographies and individuals of different income levels throughout its AAs.
- The bank provides an adequate level of CD services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. 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 with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**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.

**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.

**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, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited 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, 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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. 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 Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

Second Nation Bank of Warren (SNB) is a wholly owned subsidiary of Second Bancorp, Inc., a publicly traded company (Nasdaq: SECD) headquartered in Warren, Ohio. As of June 30, 2002 SECD had \$1.7 billion in total assets.

SNB is an intrastate bank, with 37 branch offices in the state of Ohio. SNB has five assessment areas for CRA purposes. The bank operates in the Youngstown-Warren MA, the Akron MA, the Cleveland-Lorain MA and the Canton-Massillon MA. The bank also operates in the multistate Steubenville-Weirton MA. Bank operations and branches in this MA are limited to the Ohio geographies. In October 2001, the bank acquired Commerce Exchange Corporation, which operated 2 branches in the Cleveland-Lorain MA. As a result, the bank expanded its AA within this metropolitan area to include the communities of North Olmstead and Beachwood, where these branches are located.

SNB offers a full range of banking products and services. As of March 31, 2002, SNB had \$1.7 billion in assets. Loans represented 64 percent of total assets. The distribution of SNB's loan portfolio is as follows: real estate loans (69 percent); commercial & industrial loans (13 percent); loans to individuals (16 percent); the remaining (2 percent) is comprised of multiple other loan categories. The bank's real estate loan mix primarily consists of 1-4 family residential (58 percent) and commercial (34 percent) loans. SNB's Tier One Capital is \$139 million.

In determining the size and capacity of SNB for CRA evaluation purposes, we did not consider operating subsidiaries and affiliates of the bank, as the bank does not have any operating subsidiaries or affiliates.

SNB was rated "Satisfactory" at its last Large Bank CRA evaluation dated June 7, 1999.

There are no legal, financial or other factors that impede the bank's ability to help meet the credit needs in its assessment areas (AA).

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment and Service Tests. In evaluating the bank's lending performance, we reviewed its home mortgage loans subject to filing under HMDA and small loans to businesses. We did not evaluate small farm loans since this is not a significant lending activity of SNB. With the exception of CD loans, the evaluation period for the Lending Test is January 1, 1999 through June 30, 2002. The evaluation period for CD loans, qualified investments and CD services is June 7, 1999 through September 2, 2002.

### Data Integrity

The Community Reinvestment Act requires that banks collect and maintain certain data regarding originations and purchases of home mortgage loans, small loans to businesses and small loans to farms. This information is maintained in the bank's Public File. As part of the CRA evaluation, we tested the bank's publicly filed home mortgage and small loans to businesses data for accuracy. We also evaluated SNB's processes to ensure that data are reliable.

We determined the bank's home mortgage data to be accurate. However, an initial review of the data on small loans to businesses revealed significant errors relating to revenue codes and geographic location of loans. Bank management was instructed to address these issues and file amended reports as appropriate. We conducted a subsequent review to evaluate the bank's actions to correct the data and found the data to be reliable. Therefore, this evaluation is based on accurate data.

CD loans, qualified investments and CD services submitted by SNB management were verified to ensure that they met the regulatory definition for community development. Some items submitted for consideration were excluded from this evaluation because they did not meet the definition or purpose of community development. Therefore, this evaluation was based on CD loans, qualified investments and CD services that met the regulatory definitions.

### Selection of Areas for Full-Scope Review

We selected the Youngstown-Warren MA and Akron MA for full-scope reviews. AAs that receive full-scope reviews were determined by the bank's deposits and deposit market share, percentage of bank loans, and distribution of bank offices. The Youngstown-Warren MA has 61 percent of the bank's deposits, 56 percent of the bank's total loans and 38 percent of the bank's offices. SNB ranks fourth in the AA for home mortgage loans and sixth for deposits. The Akron MA has 17 percent of the bank's deposits, 28 percent of the bank's total loans and 32 percent of the bank's offices. SNB ranks twenty-third in the AA for home mortgage loans and eleventh for deposits. Combined, these two AAs represent over 78 percent of the bank's deposits, 84 percent of the bank's total loans and 70 percent of the bank's offices.

The data contained in the tables in Appendix C was evaluated for all the bank's delineated AAs. For the areas receiving full-scope reviews, additional information was developed



concerning credit and community development needs and opportunities for community development activities.

## **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews. Weighting of the rating areas was determined by examining the percentage of bank deposits and deposit market share, percentage of bank loans, and distribution of bank offices among the AAs (see Selections for Full-Scope Review).

Of the two full-scope review areas, the Youngstown-Warren MA rating area received a significant majority of the weight. The bank's main office is located within this AA and the bank's presence is greatest within this community. Additionally, by comparison, bank deposits and loans are almost a two-to-one ratio between the Youngstown-Warren and Akron MAs.

## **Other**

Information regarding the credit and deposit needs of the full-scope review areas was obtained through contacts with local community development organizations, local municipalities, the Department of Housing and Urban Development, the Ohio Department of Jobs and Family Services and information provided by the OCC Central District Community Affairs Officer. Details for each AA is contained within the Market Profiles for Full-Scope Area in Appendix B.

## **Fair Lending Review**

An analysis of the most recent public comments and consumer complaint information, and HMDA and small business lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the 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 exam was performed in 1999.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's overall performance under the lending test is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Youngstown-Warren MA is adequate and in the Akron MA is adequate.

We placed more emphasis on home mortgage loans when evaluating product performance based on identified credit needs and the fact that SNB originated more home mortgage loans than small loans to businesses. Based on volume, we placed more weight on home purchase and home refinance loans for both full-scope review AAs. Within the Youngstown-Warren MA, SNB originated 1,780 (42 percent) home purchase loans and 1,786 (42 percent) home refinance loans. Within the Akron MA, the bank originated 977 (47 percent) home purchase loans and 911 (43 percent) home refinance loans. Home improvement originations within these AAs represent only 16 percent (671) and 9 percent (206) respectively.

#### Lending Activity

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

Overall lending levels reflect good responsiveness to meeting the credit needs of the AA. Relative to its deposit market rank, SNB's home mortgage lending levels are good and its small loans to business lending levels are adequate.

Within the Youngstown-Warren MA, the bank's home mortgage lending levels are good and its small loans to business lending levels are adequate. SNB ranks sixth in deposits (11 percent market share) and fourth in home mortgages (5 percent market share) for the AA. The bank ranks fifty-eighth in small loans to businesses (less than one percent market share). The level of competition in this AA is strong. During 2000, 59 lenders competed for 7,480 small loans to businesses. Of these, 40 originated less than fifty small loans to businesses. Additionally, two non-bank finance companies dominated the AA with 34 percent of the market share for small loans to businesses.

Within the Akron MA, the bank's home mortgage lending levels are adequate and its small business lending levels are good. SNB ranks eleventh in deposits (2 percent market share) and twenty-third in home mortgages (one percent market share) for the AA. The bank ranks eighteenth in small loans to businesses (less than one percent market share). The level of competition in this AA is strong. During 2000, 74 lenders competed for 11,739 small loans to businesses. Of these, 54 originated less than fifty small loans to businesses. Additionally, two non-bank finance companies dominated the AA with 37 percent of the market share for small loans to businesses.

## Distribution of Loans by Income Level of the Geography

The bank's overall geographic distribution of loans performance is adequate. Based on the full-scope reviews, the geographic distribution of home mortgage loans in the Youngstown-Warren MA is adequate and in the Akron MA is adequate. The geographic distribution of small loans to businesses in the Youngstown-Warren MA is adequate and in the Akron MA is good.

We considered the following factors in assessing the bank's lending performance in low- and moderate-income geographies. For home mortgage loans, our review focused on the bank's lending performance relative to the level of owner-occupied units in those geographies. The Youngstown-Warren MA has 4 percent of its owner-occupied units in low-income geographies and 11 percent in its moderate-income geographies. The Akron MA has 3 percent of its owner-occupied units in low-income geographies and 14 percent in its moderate-income geographies. We also considered the volume and types of lenders within the AAs competing for home mortgage loans. During the evaluation period, both full-scope AA markets were dominated with traditional and non-traditional lenders. The majority of the lenders represented in these markets are non-local mortgage and finance companies. The total number of home mortgage lenders within the Youngstown-Warren and Akron MAs are 109 and 178 respectively.

For small loans to businesses, our review focused on the bank's lending performance relative to the percentage of businesses located within low- and moderate-income geographies. The Youngstown-Warren MA has 7 percent of its businesses located in low-income geographies and 11 percent in its moderate-income geographies. The Akron MA has 6 percent of its businesses located in low-income geographies and 14 percent in its moderate-income geographies.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### Youngstown-Warren MA 9320

### **Home Purchase**

The geographic distribution of the bank's home purchase loans is adequate. SNB's percentage of home purchase loans made in low-income geographies is below the percentage of owner-occupied units in those geographies. SNB's percentage of home purchase loans made in moderate-income geographies is somewhat below the percentage of owner-occupied units in those geographies. The bank's market share for home purchase loans in both low- and moderate-income geographies exceeds its overall market share.

Although the portion of home mortgage loans originated in low- and moderate-income geographies is lower than the portion of owner-occupied units within those geographies, this level of performance is considered adequate given the high level of competition and the small number of owner-occupied units in low-income geographies. Based on 2000 Aggregate HMDA data, there were 39 lenders competing for 87 home purchase loans in low-income geographies and 109 lenders competing for 659 home purchase loans in moderate-income geographies.

SNB is among the leaders in home purchase loans originated in low- and moderate-income geographies as it ranks second in this market for each category. Within low-income geographies, the difference between first and second market rank is only 4 loans. SNB originated 5 home purchase loans (6 percent market share) in low-income geographies. Within moderate-income geographies, the difference between first and second market rank is only 11 loans. SNB originated 41 home purchase loans (6 percent market share) in moderate-income geographies.

## **Home Improvement**

The geographic distribution of the bank's home improvement loans is adequate. SNB's percentage of home improvement loans made in low-income geographies is significantly below the percentage of owner-occupied units in those geographies. SNB's percentage of home improvement loans made in moderate-income geographies is somewhat below the percentage of owner-occupied units in those geographies. The bank's market share for home improvement loans in low-income geographies is significantly below its overall market share. The bank's market share in moderate-income geographies is near to its overall market share.

Although the portion of home improvement loans in both low- and moderate-income geographies is lower than the portion of owner-occupied units within those geographies, this level of performance is considered adequate given the level of competition and the small number of owner-occupied units in low-income geographies. Based on 2000 Aggregate HMDA data, there were 19 lenders competing for 63 home improvement loans in low-income geographies and 60 lenders competing for 230 home improvement loans in moderate-income geographies. The top three lenders, which include one large regional bank and two nationwide banks, have a combined market share over 48 percent (30 loans) of home improvement loans in low-income geographies in the AA. SNB ranks sixteenth in this market. SNB is among the leaders in home improvement loans originated in moderate-income geographies as it ranks third (18 loans) behind a large regional bank and a nationwide bank. These two institutions have a combined market share of almost 30 percent (64 loans).

## **Home Refinance**

The geographic distribution of home refinance loans is adequate. SNB's percentage of home refinance loans made in low-income geographies is significantly below the percentage of owner-occupied units in those geographies. SNB's percentage of home refinance loans made in moderate-income geographies is somewhat below the percentage of owner-occupied units in those geographies. The bank's market share for home refinance loans in low-income geographies is somewhat below its overall market share. The bank's market share in moderate-income geographies is near to its overall market share.

Although the portion of home refinance loans in both low- and moderate-income geographies is lower than the portion of owner-occupied units within those geographies, this level of performance is considered adequate given the level of competition and the small number of owner-occupied units in low-income geographies. Based on 2000 Aggregate HMDA data, there were 60 lenders competing for 230 home refinance loans in low-income geographies and 119 lenders competing for 892 home refinance loans in moderate-income geographies. The

top fifteen lenders, which include one large nationwide bank and fourteen mortgage finance companies, have a combined market share over 44 percent (143 loans) of home refinance loans in low-income geographies. SNB ranks nineteenth (4 loans) in this market. SNB is among the leader in home refinance loans originated in moderate-income geographies. While the bank ranks sixth in this market, lenders ranked three through six are separated by less than one percentage point. Further analysis indicated that the top five positions are held by a large nationwide bank and four non-local finance companies. SNB leads the AA for home refinance lending among local lenders.

## **Multifamily Loans**

Because the number of the bank's multifamily loans is not significant enough to perform a meaningful analysis, we did not consider multifamily loans in evaluating the bank's geographic distribution of loans in this AA.

### Akron MA 0080

## **Home Purchase**

The geographic distribution of the bank's home purchase loans is good. SNB's percentage of home purchase loans made in low-income geographies is near to the percentage of owner-occupied units in those geographies. SNB's percentage of home purchase loans made in moderate-income geographies is somewhat below the percentage of owner-occupied units in those geographies. The bank's market share for home purchase loans made in low-income geographies exceeds its overall market share. The bank's market share for home purchase loans made in moderate-income geographies is somewhat below its overall market share.

Although the portion of home mortgage loans originated in moderate-income geographies is lower than the portion of owner-occupied units within those geographies, this level of performance is considered adequate given the high level of competition within those geographies. Based on 2000 Aggregate HMDA data, 166 lenders competed for 1,970 home purchase loans in moderate-income geographies. Of these, one mortgage lending affiliate of a large regional bank dominated the market with 10 percent (197 loans). Further analysis of market share data revealed that, although SNB ranked twenty-sixth (25 loans), lenders ranked between four and twenty-six are separated by a market share of no more than two percentage points.

## **Home Improvement**

The geographic distribution of the bank's home improvement loans is adequate. SNB's percentage of home improvement loans made in low-income geographies is below the percentage of owner-occupied units in those geographies. SNB's percentage of home improvement loans made in moderate-income geographies is below the percentage of owner-occupied units in those geographies. The bank's market share for home improvement loans made in both low- and moderate-income geographies is below its overall market share.

Although the portion of home improvement loans originated in low- and moderate-income geographies is lower than the portion of owner-occupied units within those geographies, this level of performance is considered adequate given the high level of competition within those geographies. Based on 2000 Aggregate HMDA data, there were 28 lenders competing for 161 home improvement loans in low-income geographies and 39 lenders competing for 563 home improvement loans in moderate-income geographies. The top three lending institutions, which include one large regional bank and two large nationwide banks, have a combined market share of over 53 percent (86 loans) for home improvement loans in low-income geographies. SNB ranks fifteenth (5 loans) for home improvement loans in moderate-income geographies, behind a large regional bank and two large national banks that have a combined market share of over 46 percent (262 loans).

### **Home Refinance**

The geographic distribution of the bank's home refinance loans is adequate. SNB's percentage of home refinance loans made in both low- and moderate-income geographies is somewhat below the percentage of owner-occupied units in those geographies. The bank's market share for home refinance loans in low-income geographies is somewhat below its overall market share. The bank's market share for home refinance loans in moderate-income geographies is below its overall market share.

Although the portion of home refinance loans originated in low- and moderate-income geographies is lower than the portion of owner-occupied units within those geographies, this level of performance is considered adequate given the high level of competition within those geographies. Based on 2000 Aggregate HMDA data, there were 109 lenders competing for 916 home refinance loans in low-income geographies and 178 lenders competing for 2,571 home refinance loans in moderate-income geographies. The top five lending institutions, which include one large nationwide bank and four mortgage finance companies, have a combined market share of over 31 percent (283 loans) of home refinance loans in low-income geographies. SNB ranks seventy-fourth (2 loans) in this market. Within moderate-income geographies, the same large national bank and four mortgage finance companies dominated the market with a combined market share of over 26 percent (679 loans). SNB ranks seventy-sixth (5 loans) in this market. Further analysis of market share data revealed that, while SNB ranks seventy-fourth (low-income geographies) and seventy-sixth (moderate-income geographies), lenders ranked between eleven and seventy-seven are separated by a market share of no more than two percentage points.

### **Multifamily Loans**

Because the number of the bank's multifamily loans is not significant enough to perform a meaningful analysis, we did not consider multifamily loans in evaluating the bank's geographic distribution of loans in this AA.

### ***Small Loans to Businesses***

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 businesses.

#### Youngstown-Warren MA 9320

The geographic distribution of the bank's small loans to businesses is adequate. SNB's percentage of small loans to businesses is somewhat below the percentage of businesses located in low-income geographies. The bank's percentage of small loans to businesses located in moderate-income geographies is near to the percentage of businesses located within the same. SNB's market share for small loans to businesses in low-income geographies is somewhat below its overall market share. The bank's market share for loans to businesses located in moderate-income geographies substantially meets its overall market share for small loans to businesses.

#### Akron MA 0080

The geographic distribution of the bank's small loans to businesses is good. SNB's percentage of small loans to businesses substantially meets the percentage of businesses located low-income geographies. The bank's percentage of small loans to businesses located in moderate-income geographies is somewhat below the percentage of businesses located within the same. SNB's market share for small loans to businesses in low-income geographies exceeds its overall market share. The bank's market share for loans to businesses located in moderate-income geographies was near to its overall market share for small loans to businesses.

### ***Lending Gap Analysis***

SNB's lending within its AAs was evaluated to determine if any unexplained or conspicuous gaps were identified regarding the geographic distribution of the bank's home mortgage and small business loans. No unexplained or conspicuous gaps were identified.

### ***Inside/Outside Ratio***

The inside/outside ratio lending analysis was performed at the bank level and includes bank originations and purchases only. The bank's inside/outside ratio performance had a neutral impact on the overall Lending Test.

A majority of bank's total loan originations are within its AAs. Overall, 51 percent of SNB's loan originations are within its AA. By loan product, 49 percent of home mortgage loans and 71 percent of small loans to businesses are inside the AA. Within the home mortgage loan categories, home purchase, home improvement and home refinance loans originated within the AA are 44 percent, 94 percent and 47 percent respectively.

The home purchase and home refinance ratios are impacted primarily by brokered home mortgage loans located outside of the bank's AA. During the evaluation period, SNB began to



originate and purchase home mortgage loans from brokers. A substantial portion of the bank's brokered loans are for mortgages within the state of Ohio. Additionally, the majority of these loans are sold immediately after origination to Fannie Mae. SNB maintains the servicing for its brokered loans. Servicing fees generated from these loans are used to fund in-house incentives provided to loan officers who generate loans to low- and moderate-income borrowers under its Own Your Own Home program.

## **Distribution of Loans by Income Level of the Borrower**

The bank's overall distribution of loans by level of borrower income is adequate. Based on the full-scope reviews, the distribution of home mortgage loans by income level of the borrower in the Youngstown-Warren MA is adequate and in the Akron MA is good. The distribution of small loans to businesses by income level of the borrower in the Youngstown-Warren MA is good and in the Akron MA is adequate.

We considered the following factors in assessing the bank's lending performance to low- and moderate-income borrowers. For home mortgage loans, our review focused on the bank's lending performance relative to the level of low- and moderate-income families within the AA. Within both the Youngstown-Warren MA and Akron MA, 19 percent of the AA is listed as low-income and 18 percent is listed as moderate-income. Additionally, households listed below the AA poverty level for the Youngstown-Warren and Akron MAs are 14 percent and 12 percent respectively. Information obtained from local realtors and community organizations regarding the median and average sales price for single-family residences in both AAs was used to determine the affordability of home mortgage loans for low-income borrowers. Based on this information, it was determined that home mortgage opportunities for low-income families in the both the Youngstown-Warren and Akron MAs are limited. This issue was factored into the analysis of home purchase and home refinance loans.

For small loans to businesses, our review focused on the bank's lending performance relative to the percentage of businesses with annual revenues of \$1 million or less. Eighty-seven percent of the businesses located in the Youngstown-Warren MA have reported gross annual revenues of \$1 million or less. Within the Akron MA, 85 percent of the businesses have reported gross annual revenues of \$1 million or less. Information obtained from community contacts also indicated that business loans in amounts of \$100,00 or less was a credit need of both full-scope AAs. As such, loan size was also considered in the analysis.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### Youngstown-Warren MA 9320

### **Home Purchase Loans**

The borrower distribution of the bank's home purchase loans is good.

SNB's percentage of home purchase loans made to low-income borrowers is below the percentage of low-income families in the AA. Although the portion of home purchase loans originated to low-income borrowers is lower than the percentage of families defined as such, this performance is considered adequate given the performance context issues outlined above. The bank's market share for home purchase loans to low-income borrowers is near to its overall market share.

SNB's percentage of home purchase loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share for home purchase loans to moderate-income borrowers is near to its overall market share.

### **Home Improvement**

The borrower distribution of the bank's home improvement loans is good.

SNB's percentage of home improvement loans made to low-income borrowers is below the percentage of low-income families in the AA. Although the portion of home improvement loans originated to low-income borrowers is lower than the percentage of families defined as such, this performance is considered adequate given performance context issues outlined above. The bank's market share for home improvement loans to low-income borrowers is near to its overall market share.

SNB's percentage of home improvement loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share for home improvement loans substantially meets its overall market share.

### **Home Refinance**

The borrower distribution of the bank's home refinance loans is adequate.

SNB's percentage of home refinance loans made to low-income borrowers is significantly below the percentage of low-income families in the AA. Although the portion of home refinance loans originated to low-income borrowers is lower than the percentage of families defined as such, this performance is considered adequate given performance context issues outlined above. The bank's market share for home refinance loans to low-income borrowers is below its overall market share.

SNB's percentage of home refinance loans made to moderate-income borrower is somewhat below the percentage of moderate-income families in the AA. The bank's market share for home refinance loans to moderate-income borrowers is below its overall market share.

### Akron MA 0080

### **Home Purchase**

The borrower distribution of the bank's home purchase loans is adequate.

SNB's percentage of home purchase loans made to low-income borrowers is significantly below the percentage of low-income families in the AA. Although the portion of home purchase loans originated to low-income borrowers is lower than the percentage of the families defined as such, this performance is considered adequate given the performance context issues outlined above. The bank's market share for home purchase loans to low-income borrowers is below its overall market share.

SNB's percentage of home purchase loans made to moderate-income borrowers is somewhat below the percentage of moderate-income families in the AA. The bank's market share for home purchase loans to moderate-income borrowers is below its overall market share.

### **Home Improvement**

The borrower distribution of the bank's home improvement loans is adequate.

SNB's percentage of home improvement loans made to low-income borrowers is somewhat below the percentage of low-income families in the AA. Although the portion of home improvement originations is lower than the percentage of the families defined as such, this performance is considered adequate given the performance context issues outlined above. The bank's market share for home improvement loans to low-income borrowers is somewhat below its overall market share.

SNB's percentage of home improvement loans made to moderate-income borrowers substantially meets the percentage of moderate-income families in the AA. The bank's market share for home improvement loans to moderate-income families is somewhat below its overall market share.

### **Home Refinance**

The borrower distribution of the bank's home refinance loans is good.

SNB's percentage of home refinance loans made to low-income borrowers is below the percentage of low-income families in the AA. Although the portion of home refinance loans originated to low-income borrowers is lower than the percentage of families defined as such, this performance is considered adequate given the performance context issues outlined above. The bank's market share for home refinance loans to low-income borrowers is somewhat below its overall market share.

SNB's percentage of home refinance loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's market share for home refinance loans to moderate-income borrowers is below its overall market share.

### ***Small Loans to Businesses***

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 businesses.

#### Youngstown-Warren MA 9320

The borrower distribution of the bank's small loans to businesses is adequate. SNB's percentage of small loans to businesses with revenues of \$1 million or less is somewhat below the percentage of businesses defined as such. The bank's market share for small loans to businesses exceeds its overall market share. Additionally, a majority of the small loans to businesses were for amounts of \$100,000 or less, which reflects identified credit needs of the AA.

#### Akron MA 0080

The borrower distribution of the bank's small loans to businesses is adequate. SNB's percentage of small loans to businesses with revenues of \$1 million or less is somewhat below the percentage of businesses defined as such. The bank's market share for small loans to businesses exceeds its overall market share. Additionally, a majority of the small loans to businesses were for amounts of \$100,000 or less, which reflects identified credit needs of the AA.

### ***Community Development Lending***

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

SNB's overall level of community development lending is excellent, based on the available opportunities with the bank's AA. The bank's community development performance had a positive impact on the overall Lending Test.

#### Youngstown-Warren MA 9320

SNB's level of community development lending within the Youngstown-Warren MA is excellent. The level of community development lending represents approximately 7% of Tier One Capital. These loans had a positive impact on the lending performance in the AA.

Within the AA, SNB made nine loans totaling \$6.2 million for community development purposes. Of these, the bank originated five loans totaling \$5.3 million to fund affordable housing multi-family projects in Youngstown and Warren. Three loans totaling \$300 thousand were originated to local non-profit CD agencies that provide technical assistance and lending to small businesses. SNB also originated a \$500 thousand loan to a local non-profit that

provides educational, health, and other social services to low-and moderate-income residents of the community.

#### Akron MA 0080

SNB's level of community development lending within the Akron MA is excellent. The level of community development lending represents approximately 6% of Tier One Capital. These loans had a positive impact on the lending performance in the AA.

Within the AA, SNB made three loans totaling \$1.5 million for community development purposes. Of these, the bank provided \$1.4 million in permanent financing for a commercial real estate project to rehabilitate a downtown structure to make it suitable for multiple small business occupation. This project is in coordination with the City of Akron's Downtown Development Loan Program and serves to revitalize the downtown geography through economic promotion and growth. SNB also originated one loan for \$50 thousand to a local CDC that provides social services to low-income families and one loan for \$30 thousand to a local non-profit agency that provides day care services to low-and moderate-income families.

#### Community Development Lending Outside the Banks AA

Because SNB met the CD credit needs of their MAs, consideration was also given to community development lending outside of the bank's designated AA. During the evaluation, SNB originated two community development loans totaling \$11 million in the Columbus MA 1840. Both loans funded assisted living facilities whose primary residents are low- and moderate-income seniors and mentally challenged adults. While these loans were not specifically allocated to any of the bank's AAs, they had a positive impact on the bank's overall community lending performance.

### **Product Innovation and Flexibility**

SNB offers several flexible home mortgage products designed to assist low- and moderate-income borrowers obtain financing. Loans originated under these programs are evaluated as home mortgage loans under the Lending Test. While these programs provide flexible terms and conditions, only one (The Youngstown-SBA Initiative) is considered innovative. The bank's flexible home mortgage products had a positive impact on the lending performance of the AA.

SNB offers a flexible home mortgage loan product targeted to low- and moderate-income individuals within its AA. The bank's Own Your Own Home Program has flexible criteria, including a reduced down payment requirement, no private mortgage insurance requirement, and higher qualifying debt ratios. Eligibility for the program is based on HUD's annual family income schedule. During the evaluation period, the bank originated 248 loans under its Own Your Own Home Programs totaling \$12 million.

SNB participates with the cities of Warren and Youngstown down payment assistance programs for low- and moderate-income borrowers. Eligibility for the programs is based on HUD's annual family income schedule and a requirement that property must be located in specific neighborhoods targeted by the cities. As the bank does not track these loans independently of its Own Your Own Home program, total number and dollar amount of loans originated during the evaluation period was not available.

SNB also offers FHA and VA home mortgage loans to borrowers. During the evaluation period, the bank originated 197 loans under these programs totaling \$14 million.

SNB is member of The Youngstown-SBA Business Revitalization Initiative, which is a joint partnership of the U.S. Small Business Administration, the City of Youngstown and 5 area financial institutions. The Initiative combines SBA loan guarantees and SBA HUBZone Certification to provide growth opportunities for start-ups, expansions and relocations. The HUBZone Empowerment Contracting Program stimulates economic development and creates jobs by providing contracting preferences to small businesses located in a HUBZone and that hire employees who live in HUBZones. There are 19 HUBZones located in Youngstown. During the evaluation period, SNB originated 4 (21 percent of the projects) Initiative loans totaling \$408 thousand (13 percent of the project dollars). While not complex in nature, this program is considered innovative as it is the first of its kind to be offered within the state of Ohio.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Cleveland-Lorain MA stronger than the bank's overall "Low Satisfactory" performance. The stronger performance is a result of a stronger geographic and borrower distribution of home mortgage loans.

The bank's performance under the lending test in the Canton-Massillon MA and Steubenville MA is not inconsistent with the bank's overall "Low Satisfactory" performance. Although home mortgage distribution percentages appear stronger, the low volume of loan originations in the AAs deems the analysis less meaningful.

Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Youngstown-Warren MA is adequate and in the Akron MA is good.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Youngstown-Warren MA 9320

SNB's investment performance in the Youngstown-Warren MA is adequate. The bank's qualified investments during the evaluation period total \$817 thousand. This amount includes \$280 thousand in prior period investments and represents approximately 1 percent of Tier One capital.

During the evaluation period, SNB made \$537 thousand in qualified investments in the Youngstown-Warren MA. Information gathered from bank management, performance evaluations of similarly situated local financial institutions, contact with community organizations and the CED Community Affairs Officer indicate that investment opportunities in the Youngstown-Warren MA are moderate. Opportunities consist primarily in investments in affordable housing projects individually and through participations in community development capital funds and through donations to organizations providing community development services.

The majority of the bank's qualified investments in the AA are through participation in various Ohio Equity Capital Funds. This organization pools investment capital and funds affordable housing projects within the State of Ohio, many of which are located within the bank's AAs. In return, the bank receives low-income tax credits (LIHTC). We allocated the bank's investment in the Ohio Capital Corporation based on a pro-rat share of SNB deposits among its AAs. During the evaluation period, the bank made \$465 thousand in current period investments in three Ohio Equity Capital Funds that serve projects in the Youngstown-Warren MA. SNB has also committed an additional \$1.6 million to current projects and two other Ohio Equity Capital projects that have not yet received funding but will eventually benefit the bank's AA in addition to the broader statewide area.

The remaining portion of the bank's qualified investments in the Youngstown-Warren MA consist of \$72 thousand in grants and donations to local community development organizations that provide affordable housing and social services to low- and moderate-income individuals in the community. Affordable housing is identified as a primary community development need of the AA.

While none of the bank's qualified investments are considered innovative or complex, the continuing impact of these investments was considered in the evaluation and had a positive impact on the overall investment test rating.

MA 0080 Akron

SNB's investment performance in the Akron MA is good. The bank's qualified investments during the evaluation period total \$778 thousand. This amount includes \$580 thousand in prior period investments and represents approximately 3 percent of Tier One capital.

During the evaluation period, SNB made \$198 thousand in qualified investments in the Akron MA. Information gathered from bank management, performance evaluations of similarly situated local financial institutions, contact with community organizations and the CED Community Affairs Officer indicate that investment opportunities in the Akron MA are moderate. Opportunities consist primarily in investments in affordable housing projects

individually and through participations in community development capital funds and through donations to organizations providing community development services.

The majority of the bank's qualified investments in the AA are through participation in various Ohio Equity Capital Funds. This organization pools investment capital and funds affordable housing projects within the State of Ohio, many of which are located within the bank's AAs. In return, the bank receives low-income tax credits (LIHTC). We allocated the bank's investments in the Ohio Capital Corporation based on a pro-rat share of SNB deposits among its AAs. During the evaluation period, the bank made \$180 thousand in current period investments in three Ohio Equity Capital Funds that serve projects in the Akron MA. SNB has also committed an additional \$624 thousand to current projects and two other Ohio Equity Capital projects that have not yet received funding but will eventually benefit the bank's AA in addition to the broader statewide area.

The remaining portion of the bank's qualified investments in the Akron AA consist of \$18 thousand in grants and donations to local community development organizations that provide affordable housing and social services to low- and moderate-income individuals in the community. Affordable housing is identified as a primary community development need of the AA.

While none of the bank's qualified investments are considered innovative or complex, the continuing impact of these investments was considered in the evaluation and had a positive impact on the overall investment test rating.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Cleveland-Lorain MA, Canton-Massillon MA and the Steubenville MA is not inconsistent with the bank's overall "Low Satisfactory" performance under the investment test.

Refer to Table 14 in appendix C for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Youngstown-Warren MA is adequate and in the Akron MA is adequate.

### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.



Youngstown-Warren MA 9320

In the Youngstown-Warren MA, SNB's delivery systems are reasonably accessible to all income-level geographies and individuals. The bank operates 14 full-service branches in the AA. The bank has no branch offices located in low-income geographies. The bank's Main & Market branch, however, is located in immediate proximity to a low-income geography within Trumbull County. The percentage of the bank's branches in the moderate-income geographies is somewhat below the percentage of the population residing in those geographies. Additionally, three of the bank's branches are located in immediate proximity to moderate-income geographies in the AA. The bank also operates 24-hour automated teller machines (ATMs) at each of its branch locations, including one (7 percent) in a moderate-income geography. Services do not vary in a way that inconveniences any portion of the AA. Services do not vary in a manner that inconveniences any portion of the AA. During the evaluation period, SNB opened one branch in a middle-income geography.

Akron MA 0080

In the Akron MA, SNB's delivery systems are reasonably accessible to all income-level geographies. The bank operates 12 full-service branches in the AA. The bank has no branch officer located in low-income geographies. The percentage of the bank's branches in moderate-income geographies substantially meets the percentage of the population residing in those geographies. Additionally, the bank's Akron branch is in immediate proximity to 5 low-income geographies in Summit County. The bank also operates 24-hour automated teller machines (ATMs) at each of its branch locations, including two (17 percent) in moderate-income geographies. Services do not vary in a way that inconveniences any portion of the AA. The bank did not open or close any branches in this AA during the evaluation period.

**Community Development Services**

The level of CD services the bank provides to its AAs had a positive impact on the overall Service Test rating.

Youngstown-Warren MA 9320

SNB provides a good level of CD services to the Youngstown-Warren MA. During the evaluation period, the bank provided 62 CD services to the Youngstown-Warren MA. Primary services include providing financial expertise to a variety of community service and development organizations through board memberships, credit counseling, and the provision of technical financial assistance for CD organizations that serve low- and moderate-income consumers. The types of CD services provided reflect the needs of the AA (information obtained by CEDistrict Community Affairs Officer and community contacts). Examples of primary CD services provided during the evaluation period in this AA are summarized below. One of the CD services is considered innovative (Youngstown SBA Initiative). :

- Rebecca Williams Center: The bank partnered with Youngstown State University and the Rebecca Williams Community Center to provide a series of classes on "How to Start Your Own Business". This program is designed for small business entrepreneurs and

consists of 8 3-hour sessions covering Business Management and Supervision to Financial Analysis. This program has been provided annually since 2000.

- Youngstown-SBA Business Revitalization Initiative: This is a joint partnership of banks, the US Small Business Administration and the City of Youngstown. Participating banks have agreed to make SBA guaranteed loans available to borrowers within the City of Youngstown at the prime lending rate for the life of the loan. Loans can be used for working capital, asset acquisition, expansion or other business use. This service is considered innovative, as it is the first of this kind of partnership within the State of Ohio. Additionally, of the participating banks, SNB is the only local institution participating in this program.
- Economic Opportunity Mixer: The bank partnered with CHOICE, Inc. (affordable housing CDC) to provide a free forum for Mahoning County low- and moderate-income residents to meet with local housing organizations and small business organizations. The purpose of this forum was to educate individuals on LMI loan products, home inspections, credit issues, and entrepreneurial training.

#### Akron MA 0080

SNB provided an adequate level of CD services to the Akron MA. During the evaluation period, the bank provided 17 CD services to the Akron AA. Primary services include providing financial expertise to a variety of community service and development organizations through board memberships, credit counseling, and the provision of technical financial assistance for CD organizations that serve low- and moderate-income consumers. Examples of primary CD services provided during the evaluation period in this AA are summarized below. None of the CD services are considered innovative or serve groups of customers not previously served.:

- Homebuyers seminar: The bank partnered with a local title company to provide an informative program for low- and moderate-income potential home buyers. This program was offered twice during September 2000.
- Small business seminar: The bank partnered with the Western Reserve Small Business Development Center for Women to co-sponsor a program for female small business owners. SNB employees conducted presentations regarding small business lending, financial statements, purposes of a small business loan, repayment sources, SBA qualifications, etc.
- Housing network: The bank partnered with The Housing Network and The University of Akron to co-sponsor a two-day Housing Symposium. The purpose is to offer various Summit County housing groups an opportunity to learn and share information regarding current/proposed projects and sources of funding and assistance. The audience includes builders, developers, social service agencies, lending institutions, neighborhood groups, block groups, government officials, CDCs, landlords, etc. In addition to co-sponsoring the event through financial and presentation resources, SNB provided 9 registration scholarships for members from community/block groups. This symposium began in 2000 and returns annually since.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Cleveland-Lorain MA and Steubenville MA is not inconsistent with the bank's overall "Low Satisfactory" performance. In the Canton-Massillon MA the bank's performance is weaker than the bank's overall "Low Satisfactory" performance. This weaker performance is based on the fact that there are not low- or moderate-income geographies in the AA and the bank did not provide any CD services to this AA. This was considered in the overall conclusions, but did not negatively impact the rating.

Refer to Table 15 in appendix C for the facts and data that support these conclusions.

## 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 “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/1999 to 06/30/2002 Investment and Service Tests and CD Loans: 06/07/1999 to 09/03/2002	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Second National Bank (SNB)	Residential Mortgage Loans Small Business Loans Community Development Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Youngstown-Warren MA	Full-Scope	Counties of Trumbull and Mahoning
Akron MA	Full-Scope	Counties of Portage and Summit
Cleveland-Lorain MA	Limited Scope	Ashtabula County and portions of Medina and Cuyahoga counties
Canton-Massillon MA	Limited Scope	Portions of Stark County
Steubenville MA	Limited Scope	Jefferson County

# Appendix B: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

Youngstown-Warren MA.....	2
Akron MA.....	4

**Youngstown-Warren MA**

Demographic Information for Full-Scope Area: Youngstown-Warren MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	131	11.45	18.32	44.27	22.14	3.82
Population by Geography	492,619	6.25	13.15	50.03	30.58	0.00
Owner-Occupied Housing by Geography	135,414	4.05	11.35	52.17	32.44	0.00
Businesses by Geography	16,833	7.18	10.72	44.37	37.43	0.30
Farms by Geography	762	0.79	3.02	59.58	36.48	0.03
Family Distribution by Income Level	136,488	19.30	17.97	22.24	40.50	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	50,859	10.71	19.71	50.35	19.23	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$31,756 = \$44,300 = 13.93%	Median Housing Value Unemployment Rate		= \$50,438 = 5.9% & = 6.8%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The AA consists of Trumbull and Mahoning counties within the Youngstown-Warren MA. The bank does not have any branches in Columbiana County and does not include these geographies in its AA. Within the AA, there are 15 low-income geographies, 24 moderate-income geographies, 58 middle-income geographies, 29 upper-income geographies and 5 geographies that are indicated as NA with regard to income level.

SNB has 14 full-service branches and 14 ATMs in the AA, which conduct traditional banking services. The bank’s primary businesses focus in the AA is traditional retail banking.

SNB's deposits in the Youngstown-Warren MA total approximately \$644 million. Based on FDIC deposit market share data as of June 30, 2001, this represents 61 percent of the bank’s total deposits. SNB is the sixth largest deposit taking institution in the MA with an 11 percent market share. Competitors in the MA include, but are not limited to Home Savings & Loan, First Place Bank, Sky Bank and National City NA.

Total bank loans in the AA equal \$381 million and represent 56 percent of total reported loans.

The unemployment rate as of September 2002 for Trumbull and Mahoning counties is 5.9 percent and 6.8 percent respectively. Both are slightly above the Ohio state average of 5.5 percent. Historically, the Youngstown area was dominated by the steel industry. The downturn of the steel industry in the 1970’s left Youngstown with a depressed local economy. From that time until the present, this AA has been attempting to rebuild its economic base. Manufacturing, retail trade and services are the major industry trades in the MA.

The 2001 HUD adjusted median family income for the AA is \$44,300. Based on the 1990 census data, 19 percent of the families are low-income and 18 percent of the families are moderate-income. Additionally, 14 percent of the AA is listed as below the poverty level. The 1990 median housing value is \$50,438.

We identified the following credit and non-credit related needs in this AA.

- Affordable housing (i.e. single family rental, multifamily rental, homeownership and rehabilitation) for low- and moderate-income individuals. Public and rental assisted housing and down payment assistance were also identified as needs.
- Small business working capital loans to existing and start-up businesses in amounts of \$100 thousand and less. Technical assistance to new and existing small businesses was also identified as a need.
- Social services to low- and moderate-income families, including child care services, counseling and job training, credit and home ownership counseling, food donation, and health care services.

We determined these community needs by contacting representatives from local housing and community service agencies, and small business development organizations. Information regarding community credit needs was also obtained from bank management and the CED Community Affairs Officer.

We determined that the opportunity to make CD loans and qualified investments, and to provide CD services within the AA is moderate. These opportunities include LIHTC projects, non-profit housing organizations, small business development centers, and non-profit organizations that provide social services to low- and moderate-income individuals. Competition for CD loans, qualified investments and CD services is moderate and consists primarily of several financial institutions that have a presence within the AA.

**Akron MA**

Demographic Information for Full-Scope Area: Akron MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	148	13.51	18.92	46.62	18.92	2.03
Population by Geography	657,575	5.71	16.78	56.72	20.80	0.00
Owner-Occupied Housing by Geography	171,949	3.13	14.12	58.64	24.10	0.00
Businesses by Geography	27,492	6.04	13.91	50.95	29.10	0.00
Farms by Geography	895	2.60	3.90	65.14	28.36	0.00
Family Distribution by Income Level	176,648	19.15	18.39	23.87	38.59	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	66,324	9.88	25.65	55.01	9.46	0.00
Median Family Income	= \$36,618	Median Housing Value		= \$65,925		
HUD Adjusted Median Family Income for 2001	= \$54,100	Unemployment Rate		= 5.2% & 4.5%		
Households Below the Poverty Level	= 12.09%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The AA consists of Summit and Portage counties within the Akron MA. Within the AA, there are 20 low-income geographies, 28 moderate-income geographies, 69 middle-income geographies, 28 upper-income geographies and 3 geographies that are indicated as NA with regard to income level.

SNB has 12 full-service branches and 12 ATMs in the AA, which conduct traditional banking services. The bank’s primary businesses focus in the AA is traditional retail banking.

SNB’s deposits in the Akron MA total approximately \$185 million. Based on FDIC deposit market share data as of June 30, 2001, this represents 17 percent of the bank’s total deposits. SNB is the eleventh largest deposit taking institution in the MA with a 2 percent market share. Competitors in the MA include, but are not limited to FirstMerit NA, Key Bank NA, First Star Bank NA, National City NA and Bank One NA.

Total bank loans in the AA equal \$270 million and represent 28 percent of total reported loans.

The unemployment rate as of September 2002 for Summit and Portage counties is 5.2 percent and 4.5 percent respectively. Both are slightly below the Ohio state average of 5.5 percent. Manufacturing, retail trade and services, health care and education are the major industry trades in the MA.

The 2001 HUD adjusted median family income for the AA is \$54,100. Based on the 1990 census data, 19 percent of the families are low-income and 18 percent of the families are



moderate-income. Additionally, 12 percent of the AA is listed as below the poverty level. The 1990 median housing value is \$65,925.

We identified the following credit and non-credit related needs in this AA.

- Affordable housing (i.e. single family rental, multifamily rental, homeownership and rehabilitation) for low- and moderate-income individuals. Public and rental assisted housing and down payment assistance were also identified as needs.
- Small business working capital loans to existing and start-up businesses in amounts of \$100 thousand and less. Technical assistance to new and existing small businesses was also identified as a need.
- Social services to low- and moderate-income families, including child care services, counseling and job training, credit and home ownership counseling, food donation, and health care services.

We determined these community needs by contacting representatives from local housing and community service agencies, and small business development organizations. Information regarding community credit needs was also obtained from bank management and the CED Community Affairs Officer.

We determined that the opportunity to make CD loans and qualified investments, and to provide CD services within the AA is moderate. These opportunities include LIHTC projects, non-profit housing organizations, small business development centers, and non-profit organizations that provide social services to low- and moderate-income individuals. Competition for CD loans, qualified investments and CD services is moderate and consists primarily of several financial institutions that have a presence within the AA.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” 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 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 MA/assessment area. Tables without data are not included in this PE.

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 MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- 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 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 Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. 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 share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. 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 share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. 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. 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 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) 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. 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 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table 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 households within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/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 be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. 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 MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: OHIO						Evaluation Period: January 1, 1999 to June 30, 2002				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA <sup>*</sup>	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans <sup>**</sup>		Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Youngstown-Warren MA	56.01	4,243	288,115	639	84,975	9	1,515	9	6,192	4,900	380,797	60.80
Akron MA	27.65	2,100	212,905	313	55,546	1	25	3	1,480	2,417	269,956	17.41
<b>Limited Review:</b>												
Cleveland-Lorain MA	12.17	969	72,093	91	15,810	3	55	5	1,330	1,068	99,288	12.26
Canton-Massillon MA	2.93	248	26,024	8	1,115	0	0	1	20	257	27,396	0.67
Steubenville MA	1.24	101	6,047	7	509	0	0	1	2,400	109	8,956	8.85
Outside Bank's AA	NA	NA	NA	NA	NA	NA	NA	2	11,490	2	11,490	NA

<sup>\*</sup> Loan Data as of 6/30/02. Rated area refers to either the state or multi-state MA rating area.

<sup>\*\*</sup> The evaluation period for Community Development Loans is 6/07/99 to 09/03/02.

<sup>\*\*\*</sup> Deposit Data as of 6/30/01. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

## Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: OHIO								Evaluation Period: January 1, 1999 TO June 30, 2002					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% 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
<b>Full Review:</b>															
Youngstown-Warren MA	1,780	53.58	4.05	1.29	11.35	8.43	52.17	41.69	32.44	48.60	5.46	5.75	6.22	4.44	6.58
Akron MA	977	29.41	3.13	2.87	14.12	8.29	58.64	58.44	24.10	29.79	1.55	4.22	1.27	1.39	1.64
<b>Limited Review:</b>															
Cleveland-Lorain MA	372	11.20	1.31	1.34	23.37	26.61	38.98	59.68	36.34	12.37	2.35	5.88	2.64	3.93	0.72
Canton-Massillon MA	157	4.73	0.00	0.00	0.00	0.00	12.41	2.55	87.59	97.45	1.34	0.00	0.00	1.02	1.38
Steubenville MA	36	1.08	2.92	0.00	9.15	13.89	76.49	61.11	11.44	25.00	0.76	0.00	0.00	0.70	1.44

\* Based on 2000 Peer Mortgage Data: Central Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

### Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: OHIO								Evaluation Period: January 1, 1999 TO June 30, 2002				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner OCC Units***	% BANK Loans	% Owner OCC Units***	% BANK Loans	% Owner OCC Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Youngstown-Warren MA	671	63.06	4.05	0.89	11.35	8.35	52.17	43.37	32.44	47.39	9.98	0.00	8.11	8.42	14.33
Akron MA	206	19.36	3.13	1.46	14.12	4.85	58.64	76.70	24.10	16.50	2.70	0.00	0.89	3.82	1.90
<b>Limited Review:</b>															
Cleveland-Lorain MA	163	15.32	1.31	2.45	23.37	30.67	38.98	63.80	36.34	3.07	6.12	10.00	3.93	9.57	0.58
Canton-Massillon MA	3	0.28	0.00	0.00	0.00	0.00	12.41	0.00	87.59	100.00	0.00	0.00	0.00	0.00	0.00
Steubenville MA	21	1.97	2.92	0.00	9.15	0.00	76.49	61.90	11.44	38.10	2.02	0.00	0.00	1.52	6.67

\* Based on 2000 Peer Mortgage Data: Central Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

### Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 2002			Geography: OHIO				Evaluation Period: January 1,1999 TO June 30,					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Youngstown-Warren MA	1,786	54.77	4.05	0.50	11.35	6.10	52.17	40.37	32.44	52.97	2.89	1.74	2.69	2.05	4.61	
Akron MA	911	27.94	3.13	2.09	14.12	8.45	58.64	62.57	24.10	26.34	0.44	0.22	0.19	0.49	0.65	
<b>Limited Review:</b>																
Cleveland-Lorain MA	432	13.25	1.31	0.69	23.37	28.70	38.98	58.80	36.34	11.81	2.11	1.39	1.92	3.11	0.85	
Canton-Massillon MA	88	2.70	0.00	0.00	0.00	0.00	12.41	13.64	87.59	86.36	0.74	0.00	0.00	3.57	0.41	
Steubenville MA	44	1.35	2.92	2.27	9.15	0.00	76.49	59.09	11.44	38.64	0.12	0.00	0.00	0.00	0.98	

\* Based on 2000 Peer Mortgage Data: Central Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.



**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: OHIO					Evaluation Period: January 1, 1999 TO June 30, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Youngstown-Warren MA	6	42.86	12.56	0.00	8.60	0.00	44.13	66.67	34.72	33.33	11.11	0.00	0.00	11.76	16.67	
Akron MA	6	42.86	10.37	0.00	18.36	33.33	53.54	33.33	17.74	33.33	6.45	0.00	0.00	14.29	0.00	
<b>Limited Review:</b>																
Cleveland-Lorain MA	2	14.29	2.86	0.00	24.70	100.00	35.45	0.00	36.99	0.00	9.09	0.00	14.29	0.00	0.00	
Canton-Massillon MA	0	0.00	0.00	0.00	0.00	0.00	12.07	0.00	87.93	0.00	0.00	0.00	0.00	0.00	0.00	
Steubenville MA	0	0.00	41.07	0.00	1.70	0.00	36.45	0.00	20.78	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

## Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: OHIO		Evaluation Period: January 1, 1999 TO June 30, 2002	
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*							
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																		
Youngstown-Warren MA	639	60.40	7.18	4.54	10.72	10.02	44.44	40.38	37.43	45.07	2.56	1.86	2.54	2.35	3.05			
Akron MA	313	29.58	6.04	6.07	13.97	9.27	50.95	56.55	29.04	28.12	0.67	0.77	0.57	0.84	0.47			
<b>Limited Review:</b>																		
Cleveland-Lorain MA	91	8.60	1.67	6.59	21.87	18.68	30.32	46.15	46.15	28.57	0.27	0.28	0.30	0.34	0.19			
Canton-Massillon MA	8	0.76	0.00	0.00	0.00	0.00	17.60	12.50	82.40	87.50	0.18	0.35	0.74	0.03	0.26			
Steubenville MA	7	0.66	17.19	71.43	4.97	0.00	55.95	28.57	21.88	0.00	0.12	0.85	0.00	0.00	0.00			

\* Based on 2001 Peer Small Business Data: US.

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

\*\*\* Source Data - Dun and Bradstreet 2001.

## Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: OHIO      Evaluation Period: January 1, 1999 TO June 30, 2002															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Youngstown- Warren MA	9	69.23	0.79	0.00	3.02	0.00	59.58	44.44	36.48	55.56	13.64	0.00	0.00	21.43	0.00
Akron MA	1	7.69	2.57	0.00	3.91	0.00	65.14	0.00	28.38	100.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Cleveland-Lorain MA	3	23.08	0.22	0.00	23.61	0.00	59.47	100.00	16.70	0.00	2.33	0.00	0.00	4.17	0.00
Canton-Massillon MA	0	0.00	0.00	0.00	0.00	0.00	13.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Steubenville MA	0	0.00	2.11	0.00	7.37	0.00	85.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2001 Peer Small Business Data: US.

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

\*\*\* Source Data - Dun and Bradstreet 2001.

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: OHIO					Evaluation Period: January 1, 1999 TO June 30, 2002									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Youngstown-Warren MA	1,780	53.58	19.30	8.35	17.97	19.50	22.24	28.93	40.50	43.22	5.97	5.31	5.21	5.77	6.84	
Akron MA	977	29.41	19.15	4.08	18.39	12.88	23.87	22.85	38.59	60.19	1.62	0.40	0.72	1.21	2.64	
<b>Limited Review:</b>																
Cleveland-Lorain MA	372	11.20	19.53	9.49	17.78	26.02	23.22	30.62	39.46	33.88	2.81	2.75	3.19	3.17	2.35	
Canton-Massillon MA	157	4.73	8.13	0.65	11.80	12.26	20.93	25.81	59.14	61.29	1.60	0.00	2.50	0.77	1.95	
Steubenville MA	36	1.08	22.96	8.33	18.45	11.11	22.08	27.78	36.51	52.78	0.85	1.39	0.71	0.48	1.08	

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

## Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: OHIO				Evaluation Period: January 1, 1999 TO June 30, 2002									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Youngstown-Warren MA	671	63.06	19.30	8.26	17.97	19.67	22.24	28.98	40.50	43.09	10.19	8.93	9.73	10.27	10.90	
Akron MA	206	19.36	19.15	10.73	18.39	18.05	23.87	33.66	38.59	37.56	2.78	1.81	1.61	3.79	3.30	
<b>Limited Review:</b>																
Cleveland-Lorain MA	163	15.32	19.53	15.43	17.78	31.48	23.22	35.19	39.46	17.90	6.14	5.80	7.03	7.38	3.80	
Canton-Massillon MA	3	0.28	8.13	0.00	11.80	0.00	20.93	33.33	59.14	66.67	0.00	0.00	0.00	0.00	0.00	
Steubenville MA	21	1.97	22.96	28.57	18.45	4.76	22.08	28.57	36.51	38.10	2.05	2.63	0.00	2.63	2.26	

<sup>\*</sup> Based on 2000 Peer Mortgage Data: Central Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by Bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: OHIO			Evaluation Period: January 1, 1999 TO June 30, 2002			
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share							
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp			
<b>Full Review:</b>																		
Youngstown-Warren MA	1,786	54.77	19.30	3.85	17.97	15.17	22.24	26.77	40.50	54.22	3.23	1.49	1.43	3.38	5.26			
Akron Ma	911	27.94	19.15	6.43	18.39	19.62	23.87	22.62	38.59	51.33	0.51	0.28	0.16	0.62	0.84			
<b>Limited Review:</b>																		
Cleveland-Lorain MA	432	13.25	19.53	11.68	17.78	22.20	23.22	33.64	39.46	32.48	2.42	2.41	1.73	1.54	4.09			
Canton-Massillon Ma	88	2.70	8.13	0.00	11.80	7.14	20.93	29.76	59.14	63.10	0.84	0.00	1.64	0.00	1.36			
Steubenville MA	44	1.35	22.96	4.55	18.45	20.45	22.08	25.00	36.51	50.00	0.13	0.00	0.00	0.00	0.34			

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by Bank.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

## Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: OHIO		Evaluation Period: January 1, 1999 TO June 30, 2002		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Youngstown-Warren MA	639	60.40	86.91	47.73	63.07	23.94	12.99	2.56	2.72
Akron MA	313	29.58	85.49	47.28	52.40	29.39	18.21	0.67	0.83
<b>Limited Review:</b>									
Cleveland-Lorain MA	91								
Canton-Massillon MA	8	0.76	86.48	37.50	62.50	12.50	25.00	0.18	0.21
Steubenville MA	7	0.66	87.54	71.43	85.71	14.29	0.00	0.12	0.00

\* Based on 001 Peer Small Business Data: US.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0% of small loans to businesses originated and purchased by the Bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS					Geography: OHIO		Evaluation Period: January 1, 1999 TO June 30, 2002		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Youngstown-Warren MA	9	69.23	94.88	88.89	22.22	55.56	22.22	13.64	18.75
Akron MA	1	7.69	91.73	100.00	100.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Cleveland-Lorain MA	3	23.08	94.43	100.00	100.00	0.00	0.00	2.33	2.56
Canton-Massillon MA	0	0.00	89.71	0.00	0.00	0.00	0.00	0.00	0.00
Steubenville MA	0	0.00	96.84	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2001 Peer Small Business Data: US.

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0% of small loans to farms originated and purchased by Bank.



## Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: OHIO				Evaluation Period: June 7, 1999 TO September 2, 2002				
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
<b>Full Review:</b>										
Youngstown-Warren MA	2	280	17	537	19	814	37.04	5	1,658	
Akron MA	3	580	11	198	14	778	35.38	5	632	
<b>Limited Review:</b>										
Cleveland-Lorain MA	2	157	9	283	11	441	20.05	5	377	
Canton-Massillon MA	2	3	4	52	6	55	2.49	5	97	
Steubenville MA	2	41	4	70	6	111	5.04	5	240	

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

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

## Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: OHIO		Evaluation Period: January 1, 1999 TO June 30, 2002							
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Youngstown-Warren MA	60.80	14	37.84	0.00	7.14	57.14	35.71	1				+1		6.25	13.15	50.03	30.58
Akron MA	17.41	12	32.43	0.00	16.67	50.00	33.30							5.71	16.78	56.72	20.80
<b>Limited Review:</b>																	
Cleveland-Lorain MA	12.26	8	21.62	0.00	25.00	37.50	37.50							2.03	26.43	37.38	34.16
Canton-Massillon MA	0.67	1	2.70	0.00	0.00	0.00	100.00							0.00	0.00	10.85	89.15
Steubenville MA	8.85	2	5.41	50.00	0.00	0.00	50.00							7.17	8.76	72.67	11.40

