



PUBLIC DISCLOSURE

July 9, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

SIGNATURE BANK, NATIONAL ASSOCIATION

Charter Number: 24264

4607 W. Sylvania Avenue
Toledo, OH 43623

Office of the Comptroller of the Currency
200 Public Square, Suite 1610
Cleveland, OH 44114-2301

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting the institution's rating:

- The overall distribution of small loans to businesses reflects a reasonable penetration among different sizes throughout the assessment area (AA) and meets the standard for satisfactory performance.
- The geographic distribution of small loans to businesses reflects reasonable penetration among geographies of various income levels and meets the standard for satisfactory performance.
- The bank's average loan-to-deposit (LTD) ratio is reasonable.
- The bank originated or purchased the majority of its total loans within the AA.
- The bank's performance exhibits adequate responsiveness to meeting the Community Development (CD) needs of the AA.

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.

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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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 householder 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 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Signature Bank (SB or bank) is an intrastate community bank headquartered in Toledo, Ohio. As of December 31, 2016, the bank had \$777 million in total assets and \$78 million in tier one capital. The bank is a wholly owned subsidiary of Signature Bancorp Inc., a one-bank holding company, also in Toledo, Ohio. The bank did not acquire any institutions or open or close any branch offices during the evaluation period.

SB operates a single full-service branch, which is located at the bank's headquarters. The bank services all of Lucas County and a portion of Wood County. The bank's deposit market share, as stated in *Appendix B*, is 7.34 percent, and the bank ranks fifth out of 20 institutions operating in the AA. Major competitors include large and small banks, as well as credit unions and non-banking financial institutions. The branch is open Monday through Friday, and Saturday by appointment. The bank does not offer drive-through services and does not own any automated teller machines (ATMs). SB offers traditional deposit banking products and services. Both retail and business deposit products and services include: checking, savings, money market, investment savings, certificates of deposit accounts. The bank also offers online and mobile banking services to retail and business customers. Business deposit products and services also include: sweep accounts, zero balance accounts, courier services, lockbox services, ACH origination, e-deposits, and fraud protection services. Though the bank does not own any ATMs, debit cards are available for both retail and business customers. SB reimburses customers for using other financial and non-financial institution's ATMs.

The bank's lending strategy is focused on lending to business owners and their businesses. The bank offers home mortgages, home equity lines of credit, and consumer loans as an accommodation for customers; however, these products are not a lending focus of the bank. As of December 31, 2016, SB's loan portfolio totaled approximately \$650 million, which represented 83.64 percent of total assets. The loan portfolio primarily consists of commercial loans, which account for 70.92 percent of the loan portfolio. In addition, the portfolio includes 16.15 percent multi-family and home mortgage loans, 9.23 percent other loans, 2.31 percent home equity lines of credit, and 1.39 percent individual loans and credit cards.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves. The bank received a "Satisfactory" rating in the last Community Reinvestment Act (CRA) evaluation dated February 23, 2015.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated SB's performance in relation to the CRA using full-scope CRA intermediate small bank procedures. The prior CRA evaluation as of February 23, 2015, evaluated the bank's lending performance based on loan data from 2012 and

2013, and CD data from December 7, 2011 through February 23, 2015. The evaluation period for this review is January 1, 2014 through December 31, 2016. Specifically, we assessed the bank's lending performance based on its lending in the AAs for calendar years 2014, 2015, and 2016. Our review period for CD lending, investments, and services was February 24, 2015 through year-end 2016. However, we also gave consideration for CD investment activities considered during the prior CRA evaluation that remained outstanding during this CRA evaluation.

We also utilized other supporting information while evaluating the bank's CRA performance. This information included Dun and Bradstreet business data, 2010 Census Data, bank records, deposit market share data, and information from governmental websites regarding the economy, characteristics, and competition in the bank's AA. We also considered information derived from members of the community through community contacts with local organizations.

Data Integrity

SB is not required to report small loans to businesses data. However, the bank maintains this information. We tested the accuracy of this data prior to the evaluation. During our evaluation, we also tested the bank's CD loans, investments, and services. We found the bank's data to be accurate.

Selection of Areas for Full-Scope Review

We performed a full-scope review of SB's AA, the Toledo Metropolitan Statistical Area (MSA). Refer to *Appendix A* for additional information.

Ratings

The bank's overall rating is based on its performance in the Toledo, OH MSA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Tests

SB's lending performance is Satisfactory.

LENDING TEST

The bank's record of lending within the AA meets the standard for satisfactory performance. When determining our overall lending performance rating, we placed more emphasis on the bank's performance in comparison to peer lending percentages for lending to businesses of different sizes and the geographic distribution of loans. In determining the bank's performance for lending to businesses of different sizes, we gave consideration to the bank's percentages of small loans to businesses with no business revenues reported. We also gave consideration to the level of competition within the AA.

Loan-to-Deposit Ratio

SB's average quarterly LTD ratio is reasonable, given the bank's size, financial condition, loan products, and credit needs of the AA. We evaluated the bank's LTD ratio for the quarterly periods between March 31, 2014 and December 31, 2016. The bank's average quarterly LTD ratio during this period was 91.44 percent, with quarterly ratios ranging from a low of 87.55 percent to a high of 97.39 percent. We identified one similarly situated institution to compare to SB. Based on the same quarterly periods, the similarly situated institution had an average quarterly LTD of 86.58 percent, ranging from a low of 79.70 percent and a high of 94.33 percent.

Lending in Assessment Area

SB's record of lending in its AA meets the standards for satisfactory performance. The bank originated or purchased a majority of its total loans within the AA. As shown in Table 1, the percentage of small loans to businesses originated or purchased by number within the AA equated to 81.14 percent. Additionally, the percentage of loans originated or purchased by dollar amount totaled 80.27 percent.

Table 1 - Lending in the Toledo MSA AA										
Loan Type	Number of Loans					Dollars of Loans (000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Loans to Businesses	843	81.14	196	18.86	100	222,849	80.27	54,778	19.73	100.00

Source: Combined 2014, 2015 and 2016 bank generated reports.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

In the following tables, Table 2 depicts the bank's distribution of small loans to businesses in comparison to the business demographics of the AA. Table 3 shows the bank's distribution of small loans to businesses in comparison to peer small business lending within the AA.

Table 2 - Borrower Distribution of Small Loans to Businesses in the Toledo MSA AA (Demographics)				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	78.87	7.87	13.26	100%
% of Bank Loans in AA by #	32.50	59.68	7.82	100%
% of Bank Loans in AA by \$	25.71	69.18	5.11	100%

Source: Combined 2014, 2015 and 2016 bank generated reports; Dun & Bradstreet Data

Table 3 - Borrower Distribution of Small Loans to Businesses in the Toledo MSA AA (Peer)				
Business Revenues (or Sales)	Number of Loans		Dollar of Loans	
	% Peer Small Business Data	Bank % Small Loans to Businesses	% Peer Small Business Data	Bank % Small Loans to Businesses
	#	#	\$	\$
≤\$1,000,000	43.80	32.50	32.85	25.71
>\$1,000,000	56.20	59.68	67.15	69.18
Revenues Not Available	0.00	7.82	0.00	5.11

Source: Combined 2014, 2015 and 2016 bank generated reports; 2016 Peer Small Business Data.

SB's distribution of small loans to businesses reflects a reasonable penetration among businesses of different sizes and meets the standard for satisfactory performance. As shown in Table 2, the bank's percentage of small loans to businesses is significantly less than the percentage of area non-farm businesses having gross annual revenues less than or equal to \$1 million. However, comparing peer lending data in Table 2 to business demographics in Table 3, peer's small loans to businesses lending percentage is also significantly less than the percentage of non-farm small businesses. Additionally, the bank's percentages of small loans to businesses is similar to peer lending percentages with most lending to businesses with revenues that exceed \$1 million. Table 3 also shows the bank's percentage of small loans to businesses is less than the peer lending percentage. However, as described in the *Description of*

Institution section, the bank’s lending focus includes lending directly to business owners, which use their personal income as the primary source for repayment. This has resulted in a high percentage of the bank’s small loans to businesses where revenues are not available. As such, the bank’s lending to businesses of different sizes is reasonable when considering SB’s high percentage of small loans to businesses with no reported revenues and the high level of competition within the AA.

Geographic Distribution of Loans

In the tables below, Table 4 depicts the bank’s geographic distribution of small loans to businesses in comparison to business demographics and Table 5 shows the bank’s geographic distribution of small loans to businesses in comparison to peer small business lending within the AA.

Table 4 - Geographic Distribution of Small Loans to Businesses in the Toledo MSA AA (Demographics)								
CT Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Loans to Businesses	7.68	10.20	15.29	10.56	40.20	29.77	36.84	49.47

Source: Combined 2014, 2015 and 2016 bank generated reports; Dun & Bradstreet Data

Table 5 - Geographic Distribution of Small Loans to Businesses in the Toledo MSA AA (Peer)								
CT Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans
Small Loans to Businesses	5.32	10.20	11.79	10.56	37.40	29.77	45.49	49.47

Source: Combined 2014, 2015, and 2016 bank generated reports; 2016 Peer Small Business Data.

The bank’s performance in lending to small businesses among geographies of various incomes reflects a reasonable dispersion throughout the AA and meets the standard for satisfactory performance. As shown in Table 4, the bank’s percentage of small loans to businesses exceeds the demographic percentage of AA businesses in low-income census tracts (CTs) and is near the demographic percentage in moderate-income tracts. The bank’s small loans to business lending in comparison to peer is also better. As depicted in Table 5, the bank exceeds peer small business lending percentages in low-income tracts and meets the peer small business lending percentage in moderate-income CTs.

Responses to Complaints

From January 1, 2014 through December 31, 2016, the bank did not received any CRA, Fair Lending, or Unfair, Deceptive or Abusive Practices related complaints.

COMMUNITY DEVELOPMENT TEST

SB's CD performance exhibits adequate responsiveness in meeting the CD lending, investments, and service needs of its AA.

Number and Amount of Community Development Loans

SB's CD loan activity showed excellent responsiveness to the needs of the AA by granting \$13.81 million in loans to 14 organizations. Some of the CD loans made during the evaluation period are detailed below:

- SB granted a \$262,440 loan to an organization that provides shelter, meals, and other services to those affected by homelessness and poverty in the Toledo area. These funds were used to purchase a building that will allow the organization to consolidate all services within one location.
- SB granted two loans totaling \$750,000 to an organization that provides supportive services to Low or Moderate Income (LMI) individuals in hopes of promoting self-sufficiency. The funds were used to support funding and timing differences between grant funding.
- SB granted two loans totaling \$1.45 million to an organization that provides capital for mortgage financing for LMI individuals and underserved communities. The funds were used to fund mortgage receivables.
- SB granted a \$200,000 loan to an organization that provides affordable and accessible housing for individuals with developmental disabilities. The funds were being used for working capital.
- SB granted a \$250,000 loan to an organization that assists other community organizations in providing food to those in need. The funds were used for working capital.
- SB granted three loans totaling \$242,368 to an organization that creates the avenues needed to stabilize, stimulate, rebuild, grow and organize underserved areas, which includes affordable housing for LMI individuals. The funds were used to fund construction of homes and support timing differences of projects.

Number and Amount of Qualified Investments

SB showed adequate responsiveness to the CD needs of the AA by making or maintaining qualified investments totaling \$209,024. The investments made during the evaluation period are detailed below:

- SB provided a \$100,000 certificate of deposit to a community development financial institution (CDFI), which is located within the AA. The CDFI is a designated institution that meet the credit needs of LMI individuals and communities that they serve.
- SB provided 46 qualifying CD donations totaling \$109,024 to various local organizations and programs during the evaluation period. The donations support CD initiatives of providing scholarships, food, affordable housing, healthcare and other social services for LMI individuals. Additionally, the donations also supported revitalization and stabilization of LMI geographies.

Extent to Which the Bank Provides Community Development Services

SB showed adequate responsiveness to the service needs of the AA. Bank employees are involved in organizations and programs that provide services to low- and moderate-income individuals and families and support economic development. Some CD services provided during the evaluation period are detailed below:

- One employee is the Chair Person of the leadership fundraising group for an organization that provides access to healthcare for low-income residents who are uninsured and not eligible for public or private coverage.
- One employee serves on the Board of a local organization that provides shelter and advocacy services for women and children that are the victims of domestic violence.
- One employee serves as the Trustee of an organization the helps to provide food for individuals in need.
- One employee serves on the Board of an organization that builds or repairs affordable housing for low-income families in Lucas County, who currently live in substandard conditions.
- One employee serves on the Advisory Board of a minority deposit institution.
- The bank offered in-kind services to four qualified CD organizations by providing space for meetings and hosting events. The organizations provide affordable housing and social services to LMI individuals.

Responsiveness to Community Development Needs

The bank's responsiveness to the CD needs of the AA is satisfactory.

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 nonmetropolitan 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”).

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/14 to 12/31/16) Investment and Service Tests and CD Loans: (02/24/15 to 12/31/16)	
Financial Institution	Products Reviewed	
Signature Bank, N.A. Toledo, Ohio	Small Loans to Businesses	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A.	N/A.	N/A.
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Ohio Toledo, OH MSA	Full-Scope	The AA includes all of Lucas County and only a portion of Wood County.

Appendix B: Community Profiles for Full-Scope Areas

Demographic Information for Full-Scope Area: Toledo MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs/BNAs)	139	19.42%	20.14%	37.41%	23.02%	0.00%
Population by Geography	501,934	11.46%	18.25%	40.21%	30.09%	0.00%
Owner-Occupied Housing by Geography	228,596	7.00%	15.09%	43.03%	34.87%	0.00%
Businesses by Geography	27,058	7.68%	15.29%	40.20%	36.84%	0.00%
Farms by Geography	657	2.89%	9.74%	41.55%	45.81%	0.00%
Family Distribution by Income Level	127,172	10.70%	16.86%	40.02%	32.42%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	50,739	21.41%	25.82%	37.55%	15.22%	0.00%
Median Family Income = \$58,200 FFIEC Adjusted Median Family Income for 2016 = \$61,000 Households Below the Poverty Level = 33,511			Median Housing Value = \$124,668 Unemployment Rate = 5.0% Ohio = 5.2% Lucas County = 4.2% Wood County			

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, and 2016 HUD updated MFI.

The bank's only AA includes all of Lucas County and a portion of Wood County. The counties are contiguous and are part of the Toledo, OH MSA. Based on 2010 U.S. Census Data, the AA has 139 CTs, which include 27 low-income CTs, 28 moderate-income CTs, 52 middle-income CTs, and 32 upper-income CTs. All low- and moderate-income CTs are located in Lucas County. The AA meets the requirements of the CRA and does not arbitrarily exclude any low- or moderate-income areas.

According to Dun and Bradstreet data as of June 2016, large and small businesses within the AA are primarily in the services, retail trade, finance, insurance, real estate, and construction industries with 830 headquartered within the area. Non-farm small businesses within the AA total 21,341 with 7.68 percent located in a low-income area, 15.29 percent in a moderate-income area, 40.20 percent in a middle-income area, and 36.84 percent in an upper-income area. According to the 2010 U.S. Census data, the combined population of the AA consists of 501,934 people, including 12,172 families and 203,246 households. The AA is comprised of 22.90 percent low-income, 17.00 percent moderate-income, 19.87 percent middle-income, and 40.24 percent upper-income families. The majority of owner-occupied housing and families are located in middle- or upper-income CTs within the AA.

Competition from other financial institutions within the AA continues to be high, primarily in the downtown Toledo market. According to the June 30, 2016 FDIC Deposit Market Share Report, there are 20 insured financial institutions with 150 offices within the AA. SB is one of the smaller institutions with only one branch location and ranks fifth in deposit market share, holding 7.34 percent of the deposit market. The top four institutions are Fifth Third, Huntington, Key, and PNC, with a combined deposit market share of 70.12 percent. According to a 2016 Peer Small Business Data report, there were 90 lenders originating or purchasing small business loans within the AA. The top five lenders are Citibank, American Express, PNC, Capital One, and Huntington, which on a combined basis held 62.28 percent of the small business lending market share in the AA.

The economic condition of the AA has been challenging since the last recession with a decreasing population; however, there has been a slight improvement in unemployment rates. In 2014, the unemployment rate was 5.8 percent in Ohio, 6.4 percent in Lucas County, and 5.2 percent in Wood County, which improved to 5.0 percent, 5.2 percent, and 4.2 percent in 2016 for the respective areas. Manufacturing, education, business services, and health services provide the majority of employment opportunities in the AA. Major employers in the regional area include ProMedica Health Systems, The University of Toledo, Mercy Health Partners, Chrysler Group LLC, Bowling Green State University, and Kroger Incorporated.

As part of the evaluation process, we conducted two community contacts that service the Toledo MSA to assist in identifying the credit and community development needs of the area. The community organizations focus on providing affordable housing for low- and- moderate-income individuals and families and small business development services. The affordable housing organization expressed the need for additional capital to help support their initiatives and desire for more community involvement. The small business development organization communicated a need for credit and microloans for businesses, credit counseling, and financial education to assist the large number of residents that have low credit scores and a significant amount of debt. The organization mentioned a pause in their microloan pool due to the need of capital and the desire to start a peer-to-peer lending program. Neither organization had a relationship with SB during the time of our evaluation.