PUBLIC DISCLOSURE

March 21, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Andover Bank
RSSD #27614

19 Public Square
Andover, Ohio

Federal Reserve Bank of Cleveland

P.O. Box 6387
Cleveland, OH 44101-1387

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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

The following factors support the institution's rating.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs;
- There are a majority of loans and other lending-related activities in the assessment area;
- The geographic distribution of loans reflects a poor dispersion throughout the assessment areas;
- The distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income); and,
- There were no CRA-related complaints filed against the bank since the previous CRA examination.

The previous CRA examination conducted December 11, 2006 resulted in a "Satisfactory" rating.

SCOPE OF EXAMINATION

CRA performance for The Andover Bank (Andover) was evaluated based on lending data from January 1, 2009 through December 31, 2010.

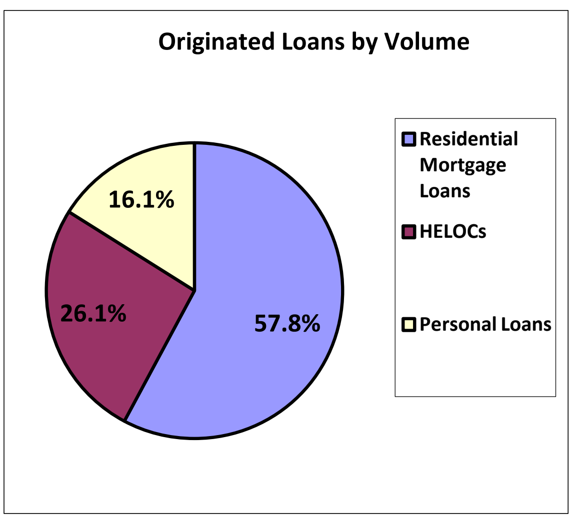
The loan products evaluated included mortgage loans, home equity lines of credit, and consumer unsecured loans. Savings-secured loans, other secured loans, home improvement loans, commercial, and agricultural loans were not included in the evaluation, as they comprise a small portion of the bank's lending portfolio.

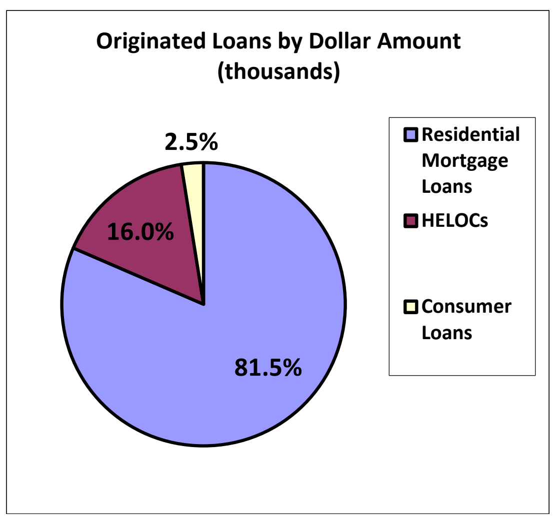
The following table illustrates the volume and distribution of loans originated during the evaluation period:

Loan Type	Number of Loans	Dollar Amount of Loans $ (000)
Mortgage Loans	295	28,030
Home Equity Lines of Credit (HELOCs)	133	5,498
Consumer Unsecured Loans	82	866

Given the above distribution, residential mortgage loans received the greatest weight in this analysis. Residential mortgage loans exceeded HELOCs and consumer loans by large margins in both the number of loans and the dollar amount of loans originated. Consumer loans received the least weight. The number and dollar amount of consumer loans is small when compared to the other two loan categories.

The borrower distribution analysis under the lending test received greater weight than the geographic distribution analysis because the assessment area contains no low-income tracts, a limited number (four) of moderate-income tracts, and no upper-income tracts.





Aggregate Home Mortgage Disclosure Act (HMDA) data is used to a limited extent in this evaluation to provide additional context for Andover's performance. The HMDA data are limited, since only HMDA reportable transactions are included (i.e., purchase, refinance, and home improvement loans for a principal dwelling made by lenders with at least one branch office located in a Metropolitan Statistical Area (MSA)) Andover was not a HMDA reporting lender during the evaluation period.

Andover opened a branch in December, 2010 in the community of Madison, Ohio in Lake County, Ohio. Since the Madison branch was opened for only a short time during this assessment period, the branch is not included in the analysis. Similarly, the assessment area as defined prior to the opening of the Madison office is used for the purposes of this analysis.

DESCRIPTION OF INSTITUTION

Andover is a full-service banking institution and is the sole subsidiary of Andover Bancorp, Inc., both of which are located in the northeastern Ohio village of Andover. The bank had assets of $295.1 million as of December 31, 2010, which is an increase of approximately 9.7% since the previous examination in December 2006.

Andover has seven office locations in Ashtabula County, with two of the offices in moderate income tracts and the remaining five in middle-income tracts. All offices except the South Jefferson office have an ATM. There is one cash-only ATM in Andover in addition to the ATM at the main office location. The South Jefferson branch located at 100 South Chestnut St. was opened in 2008. The Pierpont branch, formerly located at 994 Route 7, was closed in 2010. The following is a list of the bank's locations:

- Main office is located at 19 Public Square, Andover, Ohio;
- Ashtabula branch is located at 1630 West 19th St, Ashtabula, Ohio;
- Austinburg branch is located at 1853 Route 45, Austinburg, Ohio;
- Conneaut branch is located at 339 State Street, Conneaut, Ohio;
- Geneva branch is located at 665 South Broadway, Geneva, Ohio;
- North Jefferson branch is located at 150 North Chestnut, Jefferson, Ohio;
- South Jefferson branch is located at 100 South Chestnut St, Jefferson, Ohio; and,
- Cash-only ATM is located at 97 Public Square, Andover, Ohio.

The following chart represents the bank's loan portfolio as of December 31, 2010.

Loan Type	Dollar Amount (000's)	Percent of Total Loans
Commercial / Industrial & Non Farm Non-Residential Real Estate	27,414	17.1%
Loans for Agricultural Production & Secured by Farmland	1,294	0.8%
Construction & Land Development	6,395	4.0%
Secured by 1-4 Family Residential Real Estate	104,334	65.1%
Consumer Loans	4,327	2.7%
All Other Loans	16,492	10.3%
Total (gross)	160,256	100%

There are no legal or financial constraints preventing Andover from meeting the credit needs of its assessment area consistent with its asset size, business strategy, resources, and local economy.

DESCRIPTION OF ASSESSMENT AREA

Andover has designated all of Ashtabula County, which is in the extreme northeastern portion of Ohio, as its assessment area. The designated assessment area for the period of time covered in this evaluation has not changed since the previous examination. The assessment area includes four moderate-income and seventeen middle-income census tracts. There are no low- or upper-income tracts in the assessment area. A map of the assessment area is located in Appendix A.

All 17 middle-income census tracts in Ashtabula County were designated as distressed areas in 2008 due to an unemployment rate at least 1.5 times the national average. The census tracts lost this designation in 2009 due to an increase in the national average unemployment rate, rather than a decline in the unemployment rate for the county.

Nine financial institutions insured by the FDIC operate 35 branches within Ashtabula County. Based on the FDIC's deposit market share report as of June 30, 2010, Andover ranked first with a 24.68% deposit market share.[1] The following table illustrates deposit market share by financial institution in the assessment area:

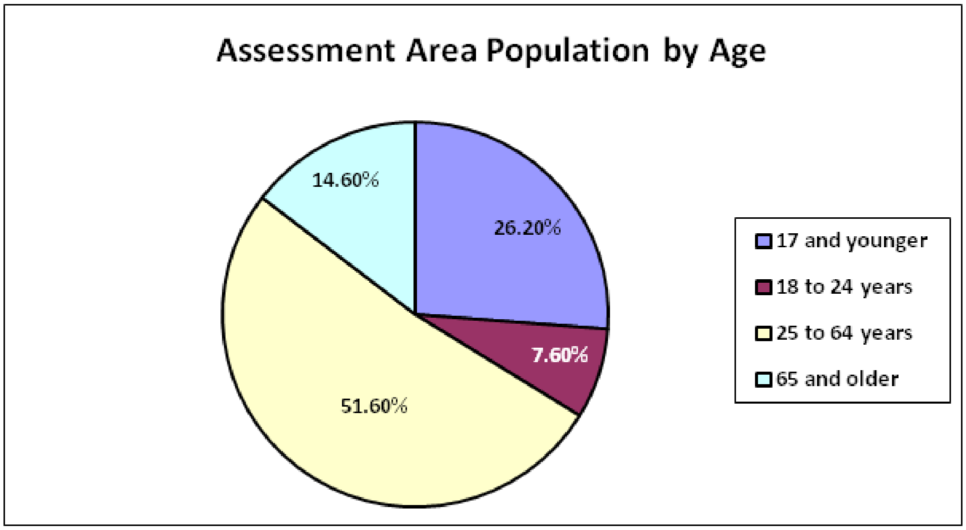
#	Financial Institution	Deposit Market Share
1	The Andover Bank	24.68%
2	Keybank National Assn	23.13%
3	FirstMerit Bank NA	15.95%
4	Huntington National Bank	14.60%
5	Conneaut Savings Bank	7.32%
6	US Bank National Assn	6.93%
7	Northwest Savings Bank	4.09%
8	Middlefield Banking Co.	2.58%
9	Cortland Savings & Banking Co.	0.72%

Population

The 2000 data released by the U.S. Census Bureau indicates the population within the bank's assessment area was 102,728. The population is primarily white not-Hispanic (92.95%), with the total minority population of 7.05%. The largest minority group within the assessment area is black non-Hispanic population, comprising 3.50% of the total population. The 2009 estimated population for Ashtabula County was 100,767,[2] which would represent a decline of 1.9%.

The following chart shows the distribution of population by age:

1 http://www3.fdic.gov/sod/index.asp
2 http://development.ohio.gov/research/CountyTrends.htm



Income Characteristics

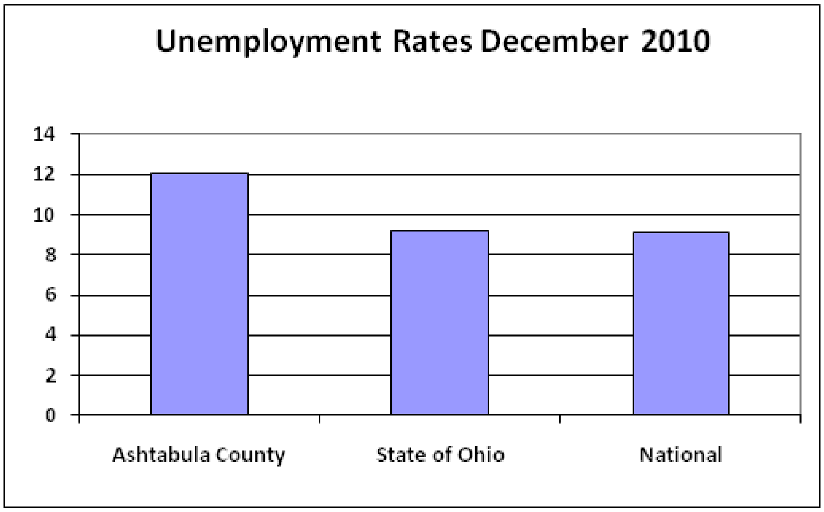
According to the 2000 Census, there were 39,437 households within the assessment area, of which 27,953 (70.9%) were designated as families. Of these families, 19.47% were low-income, 19.94% were moderate-income, 23.92% were middle-income, and 36.67% were upper-income. In the assessment area, 9.16% of the families were below the poverty level, a higher rate than the State of Ohio at 7.82%.

The median family income for the assessment area was $47,353 compared to the State of Ohio at $50,037 and the non-metropolitan statewide area at $43,801. According to the Department of Housing & Urban Development (HUD) for 2009, the median family income (MFI) for the nonmetropolitan areas had increased to $53,800 and the State of Ohio's MFI to $60,061.

The median household income for the assessment area was $41,985 compared to the state median household income of $40,956 and the non-metropolitan statewide area at $36,916. According to the U.S. Census Bureau for 2009, the median household income for the state increased to $45,395.

Labor, Employment, and Economics

The following chart shows unemployment rates for December 2010 for Ashtabula County compared to the State of Ohio and national rates:



The December 2010 unemployment rate in Ashtabula County (not seasonally adjusted) of 12.1% exceeds both the comparable Ohio unemployment rate of 9.2% and the comparable national unemployment rate of 9.1%. The unemployment rate in Ashtabula County also exceeded the unemployment rates in neighboring Ohio counties of Lake (8.3%), Geauga (7.7%) and Trumbull (10.9%). The unemployment rate in Ashtabula County reached a high of 15.4% in January 2010.

The following table shows Ashtabula County industrial sector employment in 2008 and the change since 2003.[3]

Industrial Sector	Average Employment	Change Since 2003
Manufacturing	7,556	-13.5%
Trade, Transportation, Utilities	5,770	2.9%
Education and Health Services	5,625	14.0%
Local Government	4,647	-5.1%
Leisure and Hospitality	2,918	-10.1%
Professional and Business Services	1,445	-10.0%
Construction	907	-20.9%
Other Services	868	-8.1%
Financial Services	827	-22.6%
Information	395	-17.5%
State Government	315	15%
Federal Government	229	-7.7%
Natural Resources and Mining	148	0%

The following table shows the top ten employers in Ashtabula County and the approximate number of current employees.[4]

3 http://development.ohio.gov/research/files/s0/Ashtabula.pdf
4 http://www.ashtabulagrowth.com/topemployers.asp?t=11

Employer	City	Employees
Ashtabula County Medical Center	Ashtabula	1,000
Ashtabula County	Jefferson	993
Ashtabula Area City Schools	Ashtabula	550
Millennium Inorganic Crystals	Ashtabula	490
Kennametal	Orwell	377
General Aluminum Manufacturing	Conneaut	370
Premix, Inc.	North Kingsville	335
Conneaut Area City Schools	Conneaut	317
MFG – Molded Fiber Glass Co.	Ashtabula	300
University Hospitals Geneva Medical Center	Geneva	290

According to one community contact, Ashtabula County was once home to a significant number of manufacturing and chemical companies and was a major shipping port for the coal and steel industries. Many of the manufacturing and chemical companies shifted their operations overseas in the 1980s and the region has been challenged to replace these jobs since then. Declines in the coal and steel industries in northeastern Ohio and western Pennsylvania have diminished the importance of Ashtabula County as a shipping center.

Housing

Andover's assessment area contains 43,792 housing units, of which 66.6% are owner-occupied, 23.3% are rental, and 10.0% are vacant, according to 2000 Census data. Single-family units comprise 75.9% of the housing units, while two-to-four family units comprise 8.3%, multi-family units comprise 6.7%, and mobile homes comprise 8.9%.

The median year built for all housing units is 1955, with 31.8% of the housing units built 1939 or earlier and 67.0% of the housing units built in 1979 or earlier. According to one community contact, the aging of the housing stock and associated maintenance and upkeep costs are a challenge for low- and moderate income households.

The median housing value was $85,100, according to 2000 Census data. The median home sales price for Ashtabula County was $84,700[5] in December 2010, a decline of 35.0% from the high of $131,000 in July 2008. Median home sale prices in Ashtabula County lag the State of Ohio, where the median sale price was $122,000 in December 2010 and $143,000 in July 2008. The median home sale price in the city of Ashtabula was $44,000 in November 2010.

Based on the median family income of $47,353, no more than 37.0% of homes in the assessment area would be marginally affordable for low-income individuals and no more than 59.0% marginally affordable for moderate income individuals, using a mortgage payment equal to 28.0% of gross income.

5 http://www.zillow.com/local-info/OH-Ashtabula-County-home-value/r_2624/

According to one community contact, the recent decline in property values has resulted in a reduced number of home sales and home refinance transactions. Additionally, a growing percentage of the purchases are cash purchases.

Ashtabula County has received $1.6 million in grants under the Neighborhood Stabilization Program, which was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Under the program, vacant houses that might otherwise be used for criminal activity or become a fire, health, or environmental hazard are removed. There were 85 vacant houses and garages targeted for demolition in the City of Ashtabula and another 30 have been identified in Conneaut. A significant number of the targeted properties are located in moderate-income census tracts.

Combined Demographics Report

The Andover State Bank

Assessment Area: Ashtabula County

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	5,442	19.5
Moderate-income	4	19.0	3,921	14.0	746	19.0	5,573	19.9
Middle-income	17	81.0	24,032	86.0	1,815	7.6	6,687	23.9
Upper-income	0	0.0	0	0.0	0	0.0	10,251	36.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**21**	**100.0**	**27,953**	**100.0**	**2,561**	**9.2**	**27,953**	**100.0**

	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	6,525	3,238	11.1	49.6	2,625	40.2	662	10.1
Middle-income	37,267	25,949	88.9	69.6	7,585	20.4	3,733	10.0
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**43,792**	**29,187**	**100.0**	**66.6**	**10,210**	**23.3**	**4,395**	**10.0**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	643	15.3	561	14.9	33	17.6	49	21.2
Middle-income	3,553	84.7	3,216	85.1	155	82.4	182	78.8
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**4,196**	**100.0**	**3,777**	**100.0**	**188**	**100.0**	**231**	**100.0**
	Percentage of Total Businesses:			**90.0**		**4.5**		**5.5**

	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1	0.4	1	0.4	0	0.0	0	0.0
Middle-income	277	99.6	274	99.6	3	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**278**	**100.0**	**275**	**100.0**	**3**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**98.9**		**1.1**		**0.0**

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The following table shows Andover's quarterly loan-to-deposit (LTD) ratios for the seventeen quarters since the previous evaluation, along with the average LTDs for the same period. The table includes the national peer ratio, as well as two local institutions. The custom peer group is the combined totals of the two local peer institutions.

The Andover Bank Loan-to-Deposit Ratios					
As of Date	Bank Ratio	Peer Ratio[1]	Middlefield [2]	Cortland [3]	Custom Peer
31-Dec-10	62.5	74.78	62.93	67.06	65.00
30-Sep-10	59.71	76.55	61.4	61.18	61.29
30-Jun-10	61.71	77.14	64.25	63.23	63.74
31-Mar-10	62.26	76.41	65.12	62.41	63.77
31-Dec-09	63.63	77.61	69.12	63.3	66.21
30-Sep-09	66.17	79.78	73.79	61.49	67.64
30-Jun-09	67.74	80.13	78.26	60.22	69.24
31-Mar-09	66.34	79.38	76.57	61.04	68.81
31-Dec-08	67.06	82.02	77.25	63.99	70.62
30-Sep-08	68.53	82.89	78.71	63.25	70.98
30-Jun-08	66.52	81.25	79.45	62.27	70.86
31-Mar-08	63.86	79.54	77.52	62.19	69.86
31-Dec-07	61.83	80.61	79.5	60.34	69.92
30-Sep-07	63.49	81.11	81.83	58.2	70.02
30-Jun-07	61.35	80.63	88.13	57.38	72.76
31-Mar-07	60.14	79.18	85.12	57.13	71.13
31-Dec-06	58.88	79.76	88.2	56.58	72.39
Quarterly Loan-to-Deposit Ratio Average since the Previous Examination	**63.63**	**79.34**	**75.71**	**61.25**	**68.48**

[1] The Andover Bank's national peer group consists of all insured commercial banks having assets between 100 million and 300 million, with three or more banking offices and not located in a MSA.
[2] The Middlefield Banking Company
[3] The Cortland Savings and Banking Company

Andover has averaged a 63.63% LTD ratio over the past seventeen quarters since the last evaluation. The bank's LTD ratio displays an increasing trend between December 2006 and September 2008, followed by a declining trend between June 2009 and September 2010. The ratio increased from September 2010 to December 2010.

Andover's average LTD ratio of 63.63% is lower than the national peer group average LTD ratio of 79.34%. Andover's LTD ratio is also less than the custom peer group average LTD ratio of 68.48%. The custom peer group includes only two local competitors, one of which is characteristic of the national peer group average LTD ratio and one that more closely reflects the Andover average LTD ratio.

The primary reason according to management for the low LTD ratios over the past 17 quarters was a result of the bank's business strategy of selling loans on the secondary market. For example, in 2010, Andover sold 45.0% of mortgage loans on the secondary market. The bank retained the servicing rights on the loans. Additionally, the generally declining trend is due in part to declining lending volumes from 2009 to 2010.

Andover's loan-to-deposit ratio is reasonable given the strategy of selling loans and the bank's current size and financial condition.

Lending in the Assessment Area

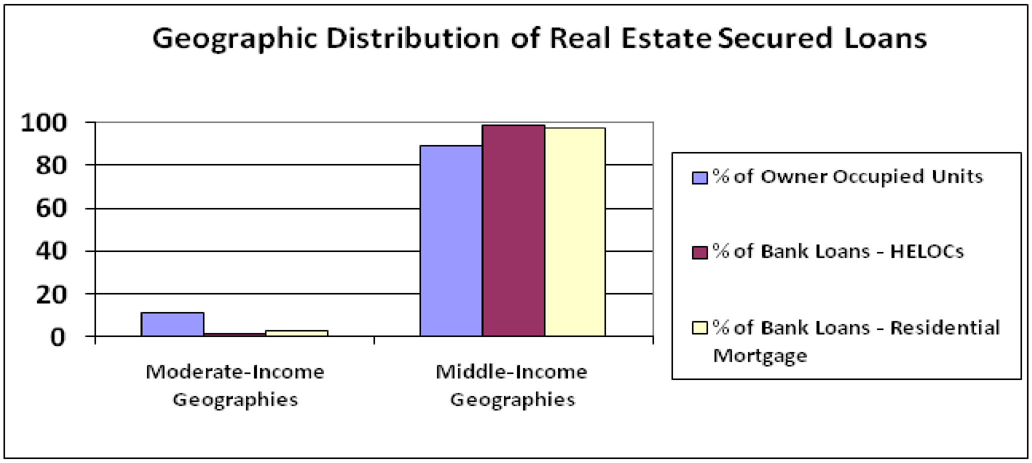
The table below depicts Andover's volume of loans extended inside and outside of the bank's assessment area during the evaluation period.

Loan Type	Inside				Outside			
	#	%	$(000s)	%	#	%	$(000s)	%
Consumer Loans	82	90.1	866	77.2	9	9.9	256	22.8
Home Equity Lines of Credit	133	89.9	5,498	88.2	15	10.1	738	11.8
Residential Mortgage Loans	295	86.3	28,030	87.8	47	13.7	3,881	12.2
TOTAL LOANS	**510**	**87.8**	**34,394**	**87.6**	**71**	**12.2**	**4,875**	**12.4**

The bank's lending in residential mortgage loans, HELOCs, and consumer loans were analyzed to determine the volume of lending inside and outside the bank's assessment area. Of the loans made to consumers, 87.8% by volume and 87.6% by dollar amount were made within the bank's assessment area. Therefore, a substantial majority of the bank's loans by both volume and dollar amount were made inside its assessment area.

Geographic Distribution of Lending

The overall geographic distribution of lending is poor.

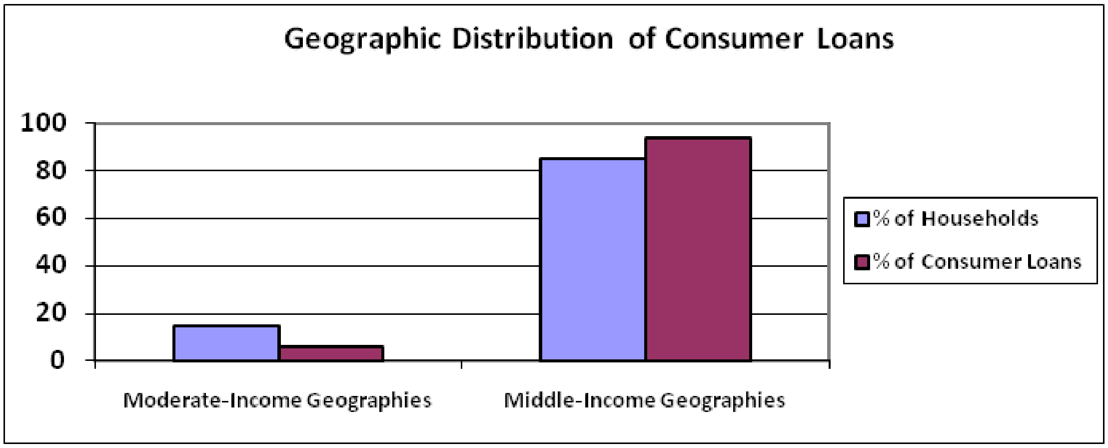


The geographic distribution of mortgage loans was considered poor. The bank made 2.7% of its mortgage loans in moderate-income tracts, which was significantly lower than the proxy (the percentage of owner-occupied housing by income tract) at 11.1%. More mortgage loans were made in the middle-income tracts by the bank at 97.3% than the proxy at 88.9%.

The geographic distribution of HELOC loans was considered very poor. The bank made 1.5% of its HELOC loans in moderate-income tracts, which was significantly lower than the proxy (the percentage of owner-occupied housing by income tract) at 11.1%. More HELOC loans were made in the middle-income tracts by the bank at 98.8% than the proxy at 88.9%.

A number of factors limit the ability of lenders to originate residential mortgage and HELOC loans in moderate-income tracts. Declining real estate values since 2008 make purchasing a home less attractive in terms of personal investment. Additionally, declining values make it more difficult for existing homeowners with limited equity to either refinance their existing mortgage loan or consider a HELOC loan. The increased age of the housing stock means that prospective home buyers would need to budget for home improvement and upkeep costs, in addition to mortgage repayment costs. The number of properties available for purchase is declining as a result of the Neighborhood Stabilization Program. Job losses in multiple sectors and high unemployment rates make it increasingly difficult for borrowers to qualify for mortgage and HELOC loans. Lastly, 19.0% of the families in moderate income tracts have incomes below the poverty level, and would likely not be able to qualify for any type of mortgage or HELOC loan.

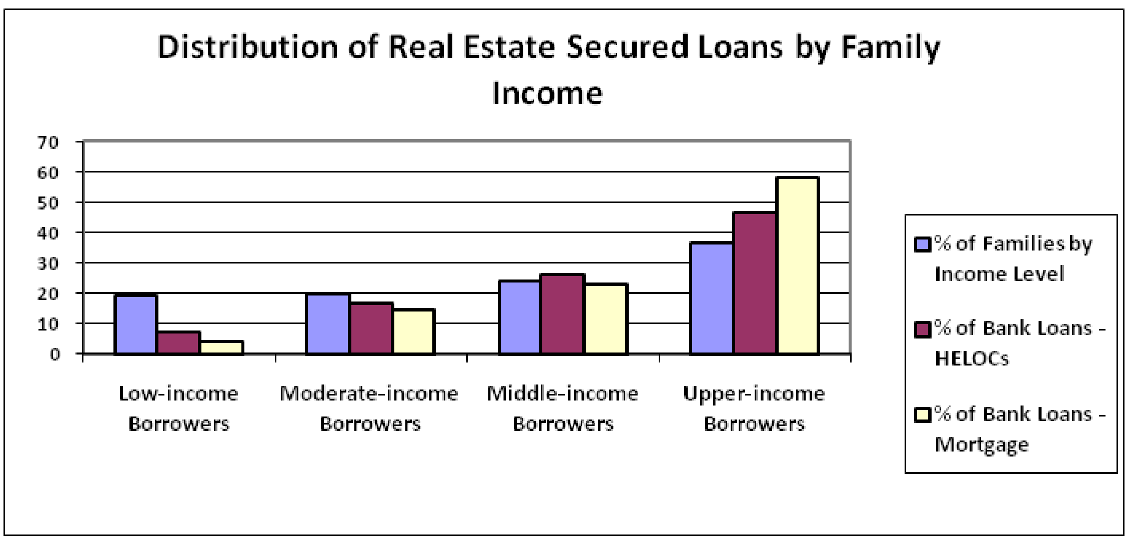
Despite the challenges, some factors suggest that Andover should be in a position to originate more loans in moderate-income geographies. Andover has branch locations (Ashtabula and Conneaut) in two of the four moderate-income tracts in the assessment area and has demonstrated an ability to attract deposits as evidenced by their top-ranked 24.68% deposit share in Ashtabula County. As a result, the geographic distribution of residential mortgage and HELOC lending was considered poor.



The geographic distribution of consumer loans was considered poor. The bank made 6.1% of its loans in moderate-income tracts, which was significantly lower than the percentage of households (proxy) at 14.9%. More loans were made by the bank in the middle-income tracts at 93.9% than the proxy at 85.1%.

Borrower Distribution of Lending

The distribution of borrowers reflects reasonable penetration among borrowers of different income levels.



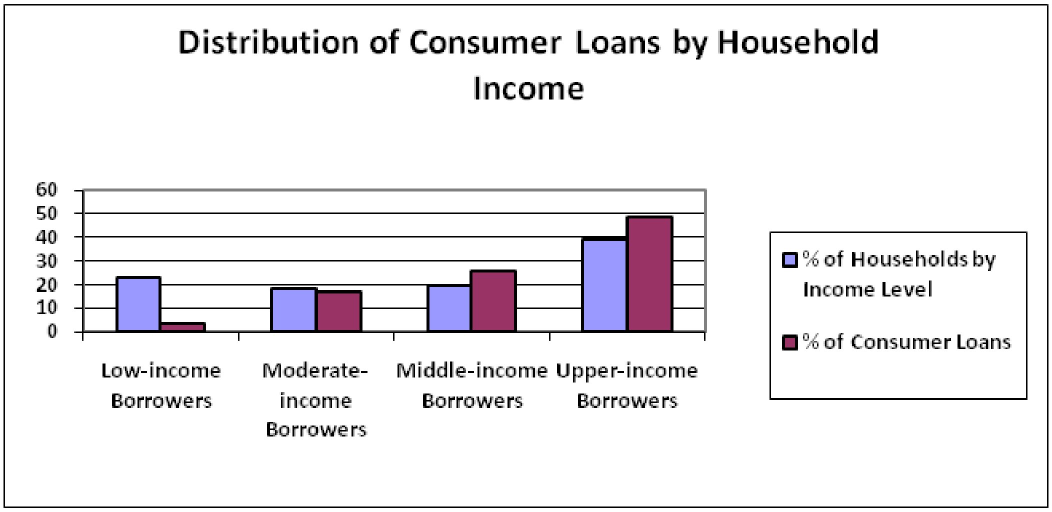
The borrower distribution of residential mortgage loans was considered reasonable. The bank made 4.1% of its mortgage loans to low-income borrowers compared to the percentage of low-income families in the assessment area at 19.5%. Also, the bank made 14.6% of its mortgage loans to moderate-income borrowers compared to the percentage of moderate-income families in the assessment area at 19.9%. Middle-income borrowers received 23.1% of the mortgage loans compared to the proxy of 23.9%. Upper-income borrowers received 58.3% of the mortgage loans compared to the proxy of 36.7%.

The borrower distribution of HELOC loans was considered reasonable. The bank made 7.5% of its HELOC loans to low-income borrowers compared to the percentage of low-income families within the assessment area at 19.5%. The bank made 16.5% of its HELOC loans to moderate-income borrowers compared to proxy at 19.9%. Middle-income borrowers received 26.3% of the HELOC loans compared to the proxy of 23.9%. Upper-income borrowers received 46.6% of the HELOC loans compared to the proxy figure of 36.7%.

The comparative housing affordability ratio is calculated by dividing median household income by the median housing value. The ratio represents the amount of single family owner-occupied housing that can be purchased by a median-income household with one dollar of income. Values closer to 1.0 are indicative of greater affordability.

Thirty-four percent of homes within the bank’s assessment area are affordable for low-income families and sixty-eight percent of homes within the bank’s assessment area are affordable for moderate-income families. A number of factors limit the ability of creditors to originate residential mortgage and HELOC loans to low-and moderate-income borrowers. The increased age of the housing stock means that prospective home buyers would need to budget for home improvement and upkeep costs, in addition to mortgage repayment costs. Job losses in multiple sectors and high unemployment rates make it increasingly difficult for low- and moderate-income borrowers to qualify for mortgage and HELOC loans. Lastly, 9.16% of families in the assessment area have incomes below the poverty level, many of whom are likely to be low-income. Families below the poverty level would not likely be able to qualify for any type of residential mortgage or HELOC loan.

Due to the limiting factors impacting low- and moderate-income borrowers, Andover’s distribution of residential mortgage and HELOC loans was considered reasonable.



The borrower distribution of consumer loans was considered reasonable. The bank made 3.7% of its consumer loans to low-income borrowers, which was considerably less than the percentage of low-income households in the assessment area at 22.9%. Moderate-income borrowers received 17.1% of the consumer loans, comparable to the percentage of moderate-income households at 18.2%. Middle-income borrowers received 25.6% of the loans compared to the proxy of 19.8%. Upper-income borrowers received 48.8% compared to the proxy figure of 36.7%.

Low-income households generally spend a relatively high proportion of their incomes on basic necessities such as food, clothing, and shelter. As a result, demand for traditional consumer loans is limited among low-income families. Additionally, 9.16% of families in the assessment area have incomes below the poverty level, many of whom are likely to be low-income. Families below the poverty level have limited capacity to qualify for consumer loans. Andover's distribution of consumer loans to moderate-income borrowers was reasonably close to the proxy. As a result, the borrower distribution of consumer loans was considered reasonable.

Response to Consumer Complaints

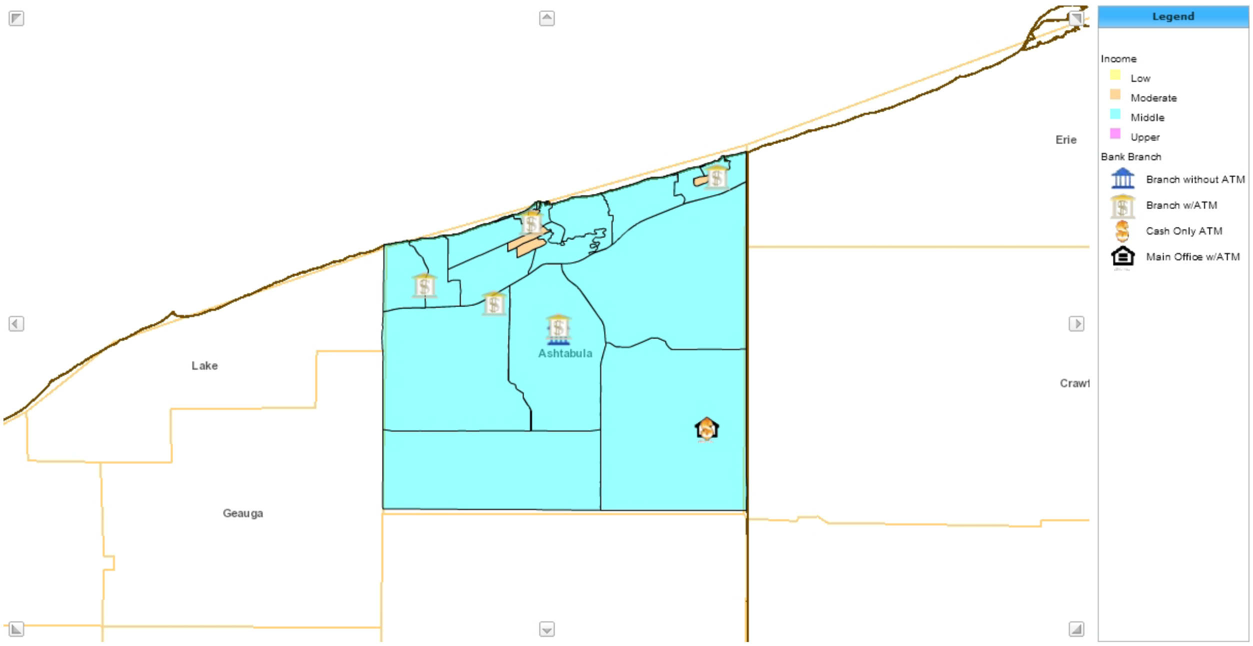
There were no CRA-related complaints filed against Andover during this evaluation period.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified during this evaluation period.

APPENDIX A

ASSESSMENT AREA MAP



APPENDIX B

CORE TABLES

Geographic Distribution of Mortgage Loans Assessment Area: North Eastern Nonmetropolitan Ohio						
	Total Mortgage Loans		Moderate-Income Geographies		Middle-Income Geographies	
	#	% of Total	% of Owner Occ Units	% of Bank Loans	% of Owner Occ Units	% of Bank Loans
HELOC	133	31.1	11.1	1.5	88.9	98.5
Residential Mortgage	295	68.9	11.1	2.7	88.9	97.3

Geographic Distribution of Consumer Loans Assessment Area: North Eastern Nonmetropolitan Ohio						
	Total Consumer Loans		Moderate-Income Geographies		Middle-Income Geographies	
	#	% of Total	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans
Consumer Loans	82	100.0	14.9	6.1	85.1	93.9

Borrower Distribution of Mortgage Loans Assessment Area: North Eastern Nonmetropolitan Ohio										
	Total Mortgage Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Families	% of Bank Loans	% of Families	% of Bank Loans	% of Families	% of Bank Loans	% of Families	% of Bank Loans
HELOC	133	31.1	19.5	7.5	19.9	16.5	23.9	26.3	36.7	46.6
Residential Mortgage	295	68.9	19.5	4.1	19.9	14.6	23.9	23.1	36.7	58.3

Borrower Distribution of Consumer Loans Assessment Area: North Eastern Nonmetropolitan Ohio										
	Total Consumer Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans
Consumer Loans	82	100.0	22.9	3.7	18.2	17.1	19.8	25.6	39.1	48.8

COMPOSITION OF LOAN PORTFOLIO						
	12/31/2010		12/31/2009		12/31/2008	
Loan Type	**$ (000s)**	**Percent**	**$ (000s)**	**Percent**	**$ (000s)**	**Percent**
Construction and Development	6,395	4.4%	7,745	5.4%	7,382	4.9%
Secured by One- to Four- Family Dwellings	104,334	72.5%	103,134	72.1%	110,835	73.0%
Other Real Estate:						
Farmland	1041	0.7%	1,312	0.9%	1,238	0.8%
Multifamily	66	<0.1%	0	0.0%	0	0.0%
Nonfarm nonresidential	18,802	13.1%	21,634	15.1%	22,414	14.8%
Commercial and Industrial	8,612	6.0%	4,184	2.9%	4,794	3.2%
Loans to Individuals	4,327	3.0%	4,978	3.5%	5,011	3.3%
Agricultural Loans	253	0.2%	106	0.1%	64	<0.1%
Total	*143,830*	*100.0%*	*143,093*	*100.0%*	*151,738*	*100.0%*

*This table does not include the entire portfolio: Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

APPENDIX C

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: 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 statistical 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: All Agencies have adopted the following language. 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings 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-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, 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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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.

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.