

PUBLIC DISCLOSURE

February 28, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

North Side Bank and Trust Company
RSSD #615217

4125 Hamilton Avenue
Cincinnati, Ohio 45223

Federal Reserve Bank of Cleveland

P.O. Box 6387
Cleveland, Ohio 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: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors and criteria contributing to this rating include:

- A reasonable loan-to-deposit ratio, given the bank's size, financial condition, and assessment area credit needs;
- A majority of loans in the assessment area;
- A reasonable geographic distribution of loans throughout the assessment area;
- A reasonable penetration among individuals of different income (including low-and moderate-income individuals) levels and businesses of different sizes;
- No complaints received about the institution's performance in meeting assessment area credit needs since the previous CRA evaluation; and,
- An adequate level of responsiveness to the community development needs of its assessment area through community development loans, investments, and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

The bank was rated "Satisfactory" at the previous Community Reinvestment Act (CRA) evaluation dated December 8, 2008.

SCOPE OF EXAMINATION

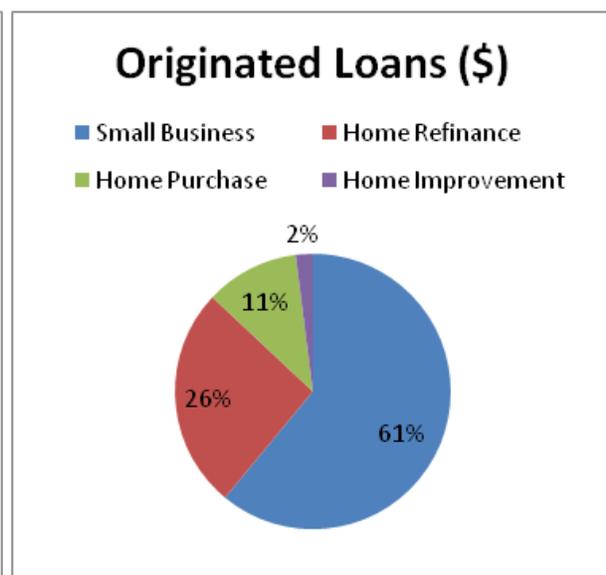
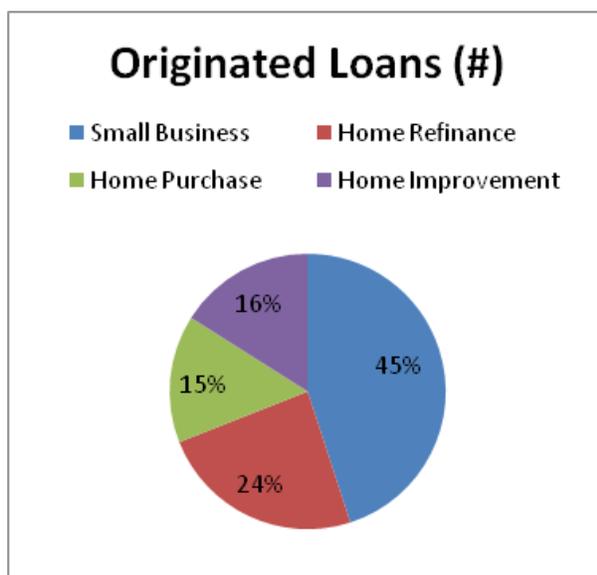
The evaluation of North Side Bank and Trust Company (North Side)’s Community Reinvestment Act (CRA) performance covers the period from January 1, 2009 through June 30, 2010 for the lending test and covers the period from December 8, 2008 through February 25, 2011 for the community development test. This evaluation was conducted using the Interagency Intermediate Small Bank procedures. The lending and community development tests were applied in assessing the bank’s performance under the CRA.

Under the lending test, the following loan products were evaluated: small business loans and home refinance, home purchase, and home improvement loans, collectively titled as Home Mortgage Disclosure Act (HMDA) loans. Consumer loans were not included in the evaluation, as they comprise a small percentage of the bank’s lending portfolio.

Additionally, interviews were conducted with community representatives to provide some perspective on the credit needs of the assessment area in which North Side serves. Information from the interviews was supplemented with demographic and economic data pertinent to the area.

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

Loan Type	Number of Loans	Dollar Amount of Loans (000’s)
Small Business	179	\$35,107
Home Refinance	93	\$14,651
Home Purchase	58	\$6,207
Home Improvement	64	\$1,145
Total Loans	394	\$57,110



Given the above distribution, small business loans received the greatest weight in this analysis, as these loans represent 45.0% of the loans originated by volume and 61.0% by dollar volume, followed by home refinance, home purchase, and home improvement loans.

The bank's asset size and financial condition indicate that it has the ability to continue to effectively meet the credit needs of its assessment area. There are no legal or other impediments that would hamper the bank's ability to meet community credit needs.

DESCRIPTION OF INSTITUTION

North Side is a small privately-owned bank with total assets of \$501 million as of December 31, 2010, which is approximately a \$7.6 million (1.5%) decrease in total assets in the last year. However, since the previous CRA evaluation (which used December 31, 2008 financial data), the bank experienced a 3.8% increase in total assets.

The main office is located in a business district of the Northside neighborhood in Cincinnati, Ohio. North Side has seven offices with full-service automated teller machines (ATM) and an additional full-service walk-up ATM located at the main office. The branch offices are located in Finneytown, Colerain, Blue Ash, Delhi, West Chester, and Springdale. In addition, all offices are located within Hamilton County, with the exception of the West Chester office located in Butler County, which is in close proximity to Hamilton, Butler and Warren Counties. North Side has not opened or closed any branch offices since the previous examination.

North Side is a full-service retail bank offering business and consumer deposit accounts and commercial, residential mortgage, and consumer loans. As of December 31, 2010, North Side had \$351 million in net loans and leases, which represents 70.1% of total assets. The following table and chart demonstrates the bank's loan portfolio composition as of December 31, 2010:

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	12/31/2010		12/31/2009		12/31/2008	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	9,501	2.7%	1,933	0.5%	3,941	1.1%
Secured by One- to Four- Family Dwellings	67,579	19.2%	73,522	20.2%	80,295	22.5%
Other Real Estate:						
Farmland	0	0.0%	0	0.0%	0	0.0%
Multifamily	3,580	1.0%	2,945	0.8%	2,835	0.8%
Nonfarm nonresidential	109,294	31.1%	125,719	34.5%	120,291	33.7%
Commercial and Industrial	150,524	42.9%	149,368	41.0%	139,554	39.2%
Loans to Individuals	10,583	3.0%	10,745	3.0%	9,530	2.7%
Agricultural Loans	0	0.0%	0	0.0%	0	0.0%
Total	351,061	100.0%	364,232	100.0%	356,446	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.

North Side's investment portfolio as of December 31, 2010 was \$133 million, which represents 26.5% of total assets. Investments in U.S. Treasuries and Agencies account for 69.3% of investments and all other securities and interest-bearing bank balances account for 24.3% of investments, while municipal securities comprise the remaining 6.4% of bank's total investments.

DESCRIPTION OF ASSESSMENT AREA IN CINCINNATI-MIDDLETOWN, OH-KY- IN MSA 17140

North Side has delineated one assessment area for CRA purposes located in the Cincinnati-Middletown MSA. The Cincinnati-Middletown MSA is comprised of the following 15 counties: Brown, Butler, Clermont, Hamilton, and Warren Counties in Ohio; Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in Kentucky; and Dearborn, Franklin, and Ohio Counties in Indiana. The bank's assessment area is comprised of the entireties of Hamilton County (230 census tracts) and contiguous portions of Butler (39 out of 73 census tracts) and Warren (four out of 32 census tracts) Counties. All of these counties are located in the State of Ohio. A map of the assessment area is located in Appendix A.

The assessment area consists of 273 total census tracts, of which 42 are low-income (15.4%), 59 moderate-income (21.6%), 106 middle-income (38.8%), 63 upper-income (23.1%), and three unknown-income (1.1%) tracts. Two of the three unknown-income tracts are located in Hamilton County and the remaining unknown-income tract is located in Butler County. Since the previous examination, the bank added 17 census tracts in Butler County that primarily incorporated the City of Hamilton into its assessment area.

According to the U.S. Census Bureau's annual estimates of population change for metropolitan statistical areas and rankings,¹ the Cincinnati-Middletown MSA is the largest metropolitan area in the State of Ohio, in front of Greater Cleveland and Greater Columbus. The Cincinnati-Middletown MSA experienced some growth from July 1, 2008 to July 1, 2009 at 0.6%. The Cincinnati-Middletown MSA is the nation's 24th largest MSA and is also part of the Cincinnati-Middletown-Wilmington Combined Statistical Area (CSA), as defined by the Census Bureau. In addition to the MSA, the CSA includes the Wilmington, Ohio Micropolitan Statistical Area for an estimated total population of 2.2 million residents within the CSA.

The MSA's population totals 2.1 million residents, of which 855,062 (41.0%) reside in Hamilton County, making it the largest county by far in the Cincinnati-Middletown MSA. The City of Cincinnati, located in Hamilton County, is the third largest city in Ohio. According to the Census Bureau's 2009 population estimates,² Cincinnati has approximately 333,013 residents, which represents about 39.0% of county's total population and is currently ranked as the nation's 57th largest city.

Because North Side's assessment area includes Cincinnati, it is important to understand how the city's challenges impact North Side's ability to serve its community.

1 www.census.gov/popest/metro/CBSA-est2009-pop-chg.html

2 www.infoplease.com/ipa/A0763098.html

According to an article entitled, “Study: Greater Cincinnati Economy Bouncing Back Faster” in the December 1, 2010 *Cincinnati Enquirer* by David Holthaus, a recent Brookings Institute study found the global recession accelerated the shift in economic growth to Asia, but provided opportunities for Greater Cincinnati and other Midwest economies. Holthaus said, “In Greater Cincinnati and Northern Kentucky, researchers found weak economic performance during the recession and in the years preceding it. However, post-recession, the 15-county metro region is recovering faster than many other areas of the U.S. and the world.”

The study’s author, Alan Berube, a senior fellow at Brookings, a Washington, D.C.-based think tank said, “Cincinnati is farther along than some of its Midwestern counterparts.” According to Holthaus, the study goes on to state that, “The Greater Cincinnati regional economy ranked 62 out of 150 worldwide during the 2009-2010 post-recession recovery, and 16th in the U.S.” Berube said, “Unlike many other Rust Belt cities, Cincinnati’s economy has not been as dependent on manufacturing, a declining sector, but has significant employment in consumer products, finance and logistics, helping it to come back from the downturn. The recovery rankings for U.S. cities (such as Cincinnati) show businesses are producing more with the same or fewer employees. It improves output but doesn’t put a lot of people back to work.”

Holthaus concluded that, “The report shows that while Cincinnati (and other U.S. cities) is competing with fast-growing economies around the world; businesses in Greater Cincinnati should be encouraged to look to these growing economies abroad for new customers.”

Butler County is located approximately 30 miles between the cities of Cincinnati and Dayton. The City of Hamilton is Butler County’s largest city and county seat.

Warren County is located 25 miles northeast of Cincinnati and 35 miles south of Dayton and its county seat is the city of Lebanon. The largest and fastest growing city in Warren County is Mason.

There is a significant amount of competition throughout the bank’s assessment area from both large- and peer-sized banks. According to the FDIC Deposit Market Share Report,³ as of June 30, 2010, North Side’s market share of deposits accounts for 0.82% of the market and ranks 10th (operating seven offices) out of 47 institutions operating 504 offices in the counties included in the bank’s assessment area. By way of comparison, within the Cincinnati-Middletown MSA, there are 81 institutions operating 816 offices and North Side ranks 12th with a deposit market share of 0.68%. In Hamilton and Butler Counties where North Side has branch offices, there are 43 institutions operating 425 offices and North Side ranks 9th with a deposit market share of 0.86%. The following top five institutions, US Bank NA, Fifth Third Bank, PNC Bank NA, First Financial Bank NA, and Huntington National Bank, hold a combined 87.9% market share and account for 65.2% of the offices within this market. In addition, North Side also competes with several peer banks, including Guardian Savings Bank, Cheviot Savings Bank, and Franklin Savings and Loan. These peer banks hold a combined 1.8% market share and account for 4.2% of the offices within this market.

3 FDIC/OTS Summary of Deposits Website: www.fdic.gov

Based on the HMDA loan data, the assessment area had a total of 412 HMDA loan reporters in 2009. According to this data, North Side is the 47th largest HMDA loan originator in the assessment area with 0.24% of all loan originations and purchases. Union Savings Bank and Fifth Third Mortgage Company ranked first and second with 13.4% and 9.8% of the market, respectively.

Four community contacts were conducted in order to provide additional information regarding the assessment area. The community contacts provided context to the demographic and economic characteristics discussed below. Three of the community contacts serve Hamilton County and the remaining community contact serves Butler County. The community contact in Butler County was conducted with a non-profit organization providing affordable housing and closing cost and down payment assistance to low- and moderate-income borrowers. The contact indicated that banks need to do a better job disclosing information to borrowers, especially regarding servicing disclosures. The contact stated their organization has received numerous complaints from homeowners confused about who is servicing their loan and where they should be sending their mortgage payments. In addition, the contact stated most first-time homebuyers have a renter's mentality, meaning they are not aware of the added expenses related to maintaining a home (i.e., having to pay water, sewer, property taxes, required insurances, etc.). The contact stated that banks need to do a better job educating first-time homeowners to ensure they are aware of the extra expenses associated with homeownership.

In Hamilton County, one community contact was conducted with a non-profit neighborhood community development corporation (CDC). The organization promotes systemic change in the area through economic development, community engagement, and physical revitalization. The contact indicated that access to banking in this low- and moderate-income neighborhood is limited. Many residents do not have access to personal transportation, making it difficult for them to use local banks. In addition, the contact stated there is a need for lower-dollar consumer loans targeted to low- and moderate-income individuals. There is also a need for more banks to offer second-chance programs for individuals who may have been denied a checking or savings account due to bad credit. If these products are not offered by banks, individuals will be forced to use fee-intensive alternatives. According to the contact, banks should offer financial education prior to opening such accounts in order that borrowers, especially low- and moderate-income borrowers, understand all of the different ways to keep track of one's balance and avoid overdrawing the account in the first place.

Two community contacts were conducted with non-profit organizations promoting small business and economic development within Hamilton County. Both contacts stated that the current economic conditions have caused banks (small and large) to tighten up credit standards. Both contacts stated there is a need for small dollar loans for small businesses and stated that Small Business Administration (SBA) loans are typically larger dollar loans, starting at about \$350,000. One contact said that he believes that banks want to make loans to small businesses, but the reason small business owners cannot obtain loans is because they are unprepared. Potential clients may have good ideas, but typically do not have business plans or possess an understanding of basic accounting principles. The contact stated that he has to explain to clients that they must be able to repay the loan out of operations cash flow.

The contact believes many people lack the appropriate credit skills and good credit character. The contact stated that his organization refers clients to the local small business development center to obtain necessary training.

The other contact stated that the biggest challenge for a start-up business is gaining access to capital. Without access to capital, one cannot build capacity and have procurement opportunities. The contact stated that banks are too focused on a client's credit score and will not work with anyone who has a credit score below 780. The contact stated that she would like to see banks relax their reliance on credit scores and consider a client's entire situation. The contact said that once a bank has decided to deny the loan, the loan officer needs to respond to the client, but that is not always happening. The contact stated that her clients feel frustrated when bankers will not return phone calls.

Population Characteristics

According to the 2000 U.S. Census, the population within North Side's assessment area was 1.1 million. Approximately, 27.8% of the assessment area's population resides in low- and moderate-income tracts. In addition, 73.6% of the population is 18 years of age or older, which is the legal age to enter into a contract.

By far, the largest county in the assessment area by population is Hamilton County, which includes Cincinnati. Shown in the table below is the projected population by county in North Side's assessment area and how it is expected to change over the next 20 years. This information was obtained from the Ohio Department of Development's Office of Policy, Research and Strategic Planning.⁴

County	Actual 2000	Projected Population 2010	Projected Population 2020	Projected Population 2030
Hamilton	845,303	807,560	771,540	730,570
Butler	332,807	367,670	403,860	439,740
Warren	158,383	215,020	276,250	338,350

Projected population is based on the current rate of population change between 1990 and 2000. If the trend continues, it would result in a population decrease for Hamilton County in 2030 of 13.6% fewer persons than the 2000 population.

⁴ www.development.ohio.gov/research/CountyTrends.htm

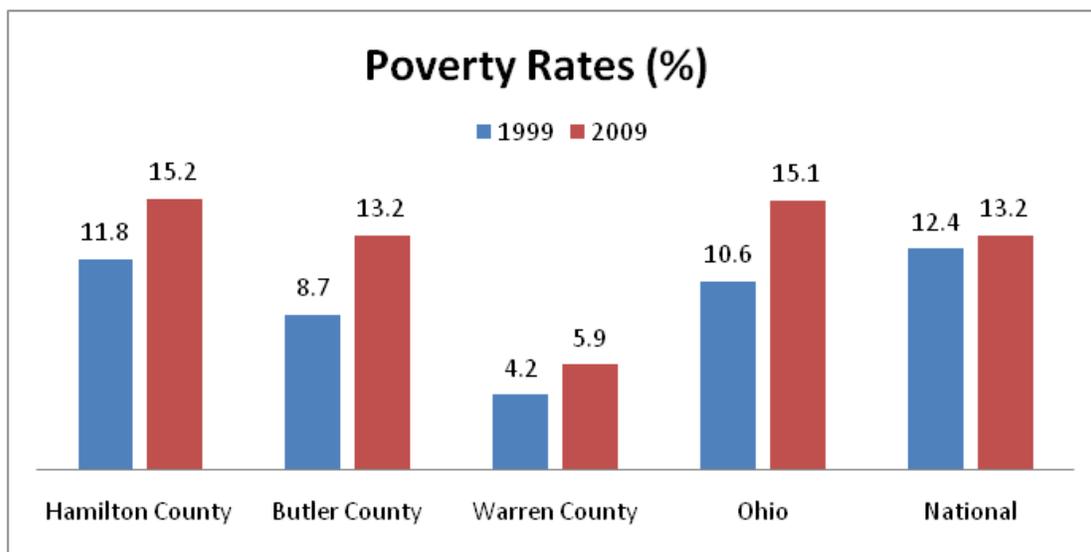
Income Characteristics

According to 2000 Census data, the median family income in the bank’s assessment area was \$55,674, which is slightly higher than the MSA’s and Ohio’s median family income at \$54,771 and \$50,037, respectively. The Cincinnati-Middletown MSA’s median family income increased to \$69,500, based on more recent 2010 Federal Housing Finance Agency data provided to Fannie Mae.⁵ The adjusted median family incomes for the Cincinnati-Middletown MSA for 2009 and 2010 are listed in the table below, categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Year	HUD Adjusted Median Family Income	Low Income (<50%)	Moderate Income (50% -less than 80%)	Middle Income (80% - less than 120%)	Upper Income (120% or Greater)
2009	\$69,200	Less than \$34,600	\$34,600-\$55,359	\$55,360-\$83,039	\$83,040 or more
2010	\$69,500	Less than \$34,750	\$34,750-\$55,599	\$55,600-\$83,399	\$83,400 or more

The assessment area contains 433,530 households, of which 278,306 (64.2%) are designated as families. Of the total families in the assessment area, 19.8% were low-income, 17.6% were moderate-income, 21.7% were middle-income, and 41.0% were upper-income. In the assessment area, 7.8% of the families were below the poverty level, which is on par with the State of Ohio’s rate at 7.8% and slightly greater than the 6.9% of families below poverty in the Cincinnati-Middletown MSA.

Based on 2009 data from the Economic Research Service of the United States Department of Agriculture (USDA),⁶ household poverty rates for the counties in the assessment area were:



5 www.efanniemae.com/sf/refmaterials/hudmedinc/index.jsp

6 www.ers.usda.gov/Data/PovertyRates

Labor, Employment, and Economic Characteristics

The following table illustrates land use in each county in the assessment area:⁷

	Urban	Cropland	Pasture	Forest
Hamilton County	41.01%	10.25%	1.15%	45.70%
Butler County	12.77%	51.45%	11.30%	23.24%
Warren County	7.6%	55.8%	6.45%	29.35%

North Side is located in close proximity to the land available for business use and residential properties in Hamilton, Butler, and Warren Counties, which indicates North Side has more than reasonable opportunities to make business- and residential-type loans within its assessment area.

In 2010, Ohio is home to 23 Fortune 500 companies,⁸ a decrease from 27 Fortune 500 companies in 2009. The Greater Cincinnati area is home to six of these companies:

State Rank in Ohio	Company	Fortune 500 Rank
2	Procter & Gamble	22
3	Kroger	23
4	Macy's	103
12	Fifth Third Bank	248
18	Western & Southern Financial Group	420
23	American Financial Group	478

In addition to the Fortune 500 companies listed above, other major employers in the bank's assessment area include:

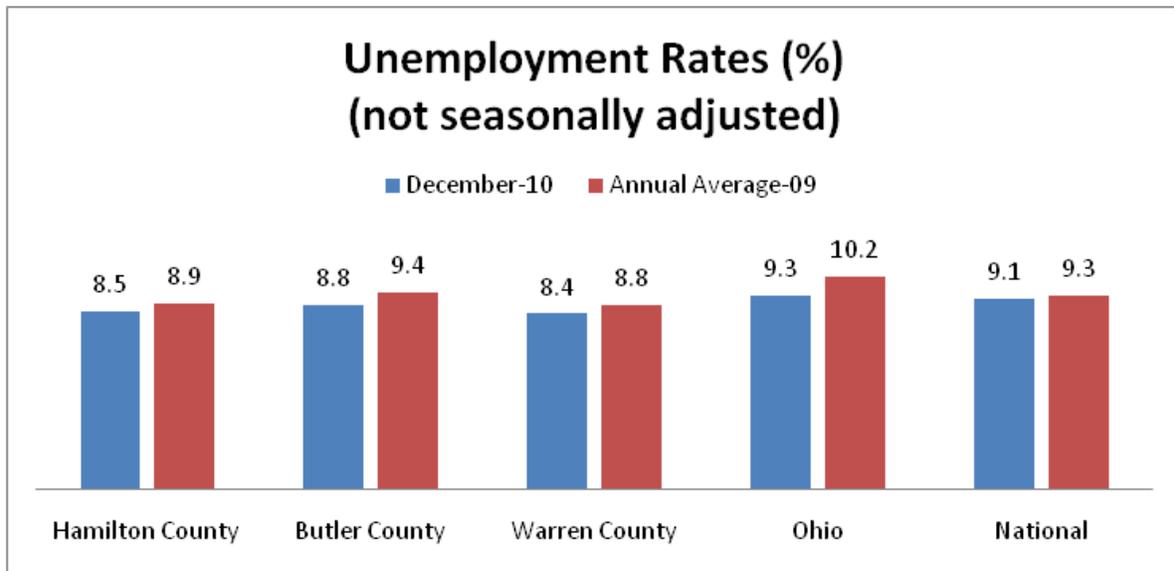
Hamilton County:	Chiquita Brands International, Cincinnati Children's Hospital, Johnson & Johnson/Ethicon, Mercy Health Partners, and the University of Cincinnati
Butler County:	AK Steel, Amylin Pharmaceuticals, BEA Systems, Butler County Government, Cincinnati Financial Corp., Cornerstone Brands, Fairfield City Schools, Ft. Hamilton Memorial Hospital, GE Aviation, Hamilton City Schools, Lakota Local Schools, Liberty Mutual/Ohio Casualty Corp., Mercy Regional Hospital, Miami University, and Middletown Regional Health System
Warren County:	Aisin Seiki/ADVICS Co., Atrium Medical Center, Cedar Fair/Kings Island, Cengage Learning, Cintas Corp., HJ Heinz/Portion PAC, L-3 Cincinnati Electronics, Luxottica Group SpA, Mason Local Schools, State of Ohio, and Wellpoint Inc./Anthem

⁷ www.development.ohio.gov/research

⁸ www.money.cnn.com/magazines/fortune/fortune500/2010/states/OH.html

Based on 2009 Dun and Bradstreet business demographics,⁹ 42,478 businesses were located in the assessment area, and of these businesses, 85.4% were small businesses.¹⁰ The top five businesses by revenue include professional services (14.8%), administrative support (14.7%), other services (11.5%), retail (9.0%), and healthcare (5.7%). Nearly half of all of the businesses in the assessment area have been in business more than 25 years or between five to nine years at 24.5% and 24.3%, respectively.

The following table outlines the unadjusted unemployment rate for the bank's assessment area according to the Ohio Department of Job and Family Services:¹¹



Housing Characteristics

There were 464,474 housing units in the assessment area, with the majority of units (373,393 or 80.4%) located in Hamilton County, based on the 2000 Census. Within the assessment area, 58.7% of the units were owner-occupied, 34.6 were rental, and 6.7% were vacant. Hamilton County had the lowest owner-occupancy rate at 55.6%. Warren County had the highest owner-occupancy rate at 74.9% and Butler County had an owner-occupancy rate at 67.9%. For comparison, the owner-occupancy rate in the Cincinnati-Middletown MSA was 62.9% and 64.3% in the State of Ohio.

From an income perspective, only 30.9% of all housing units and 17.8% of all owner-occupied dwellings were located in either low- or moderate-income census tracts. These figures suggest mortgage credit demand in low- and moderate-income areas may be lower.

⁹The number of businesses and percent of small businesses discussed here differs slightly from the number and percentage listed in the Combine Demographics Report, because the information in the report is based on 2000 Census data

¹⁰A small business is defined as a business with annual revenues of \$1 million or less

¹¹ www.lmi.state.oh.us/laus/laus.html

The median age of housing stock was 40 years as of the 2000 Census, with 32.4% of housing built prior to 1950. The median age of housing stock in Hamilton County was 42 years, compared to 28 years in Butler County and 20 years in Warren County. A higher percentage of older homes are typically indicative of needs relating to repairs and rehabilitation, which is particularly evident in Hamilton County, as demonstrated by the median age of the housing stock.

According to the 2000 Census data, the median housing value in the assessment area was \$113,798, with an affordability ratio of 37.0%; the higher the affordability ratio, the more affordable a home is considered. The affordability ratio in Hamilton County was also 37.0% and was 40.0% in Butler and Warren Counties. Further, based on median family income, about 41.2% of the homes valued up to \$99,999 in the assessment area would be considered affordable for low-income individuals and approximately 69.1% of the homes valued up to \$150,000 would be considered affordable for moderate-income individuals. These percentages were calculated assuming an average mortgage payment equal to 30.0% of gross income for a fixed-rate, 30-year loan using a 5.0% interest rate.

According to Sperling's Best Places,¹² the 2010 median home cost in the following cities throughout the assessment area is provided in the table below and demonstrate that housing values have depreciated throughout the assessment area since the previous evaluation and continued to depreciate in the last year:

Major City in Each County	2010 Home Values	% Appreciation in Last Year
Cincinnati (Hamilton)	\$115,530	- 2.47%
Hamilton (Butler)	\$75,040	- 7.78%
Deerfield Twp. (Warren)	\$185,720	- 6.60%

According to RealtyTrac,¹³ an online real estate marketplace and data company that tracks foreclosure statistics among other data, foreclosure filings was reported on 10,523 Ohio properties in December 2010. While Ohio's rate has dropped over the past few years, Ohio still had the nation's ninth highest state overall foreclosure total. One in every 483 Ohio households received a foreclosure notice in December 2010. Hamilton County ranks fourth in the overall number of foreclosure filings in the state behind Cuyahoga, Franklin, and Lucas Counties; however, Warren County had the highest foreclosure rate in the bank's assessment area. The following table shows the number of foreclosures by rank and foreclosure rates by county in the bank's assessment area as of December 2010:

12 www.bestplaces.net

13 www.realtytrac.com/trendcenter/oh-trend.html

County Rank by Number of Foreclosures ¹⁴	Number of Foreclosures	Housing Units Received a Foreclosure Filing ¹⁵	Rank by Foreclosure Rate
04. Hamilton	634	1 in 607	#2
09. Warren	222	1 in 347	#1
10. Butler	209	1 in 609	#3

From a rental perspective, the median gross rent in the assessment area was \$502, with 19.7% of the rental units having rents of less than \$350 a month, according to the 2000 Census. Another 28.6% of rental units had rents of \$350-\$500 per month. The majority of rents in the assessment area were \$500-\$699 or greater than \$700 at 27.4% and 21.4%, respectively. Additionally, 34.7% of renters have rent costs greater than 30.0% of their income. Hamilton County had the highest rent costs in which 35.4% of renters have rent costs greater than 30.0% of their income.

A significant portion of housing units for rent in the bank's assessment area are comprised of multi-family dwellings (22.6%) of which 46.1% are located in either low- or moderate-income tracts. Further, 87.3% of all multi-family dwellings are located in Hamilton County, which also had the highest rate of rental units at 37.3%. With almost 35.0% of the total housing units in the assessment area being rental units, this suggests demand for mortgage credit within the bank's assessment area, particularly in low- and moderate-income areas, might be lower.

In Hamilton County, 31 tracts¹⁶ (13.6%) of the county's 228 total census tracts have very low owner-occupied rates (<20%) and/or high rental (>75%) or vacancy rates (>30%), which limit North Side's ability to extend mortgage-type loans in these areas. These tracts are illustrated in the following table:

14 There are 88 counties in the State of Ohio

15 The foreclosure rate is calculated by dividing the total housing units in the county by the total number of properties that received foreclosure filings during the month and that number is expressed as a ratio (i.e., 1 in 100). The lower the second number in the ratio, the higher the foreclosure rate

16 The 31 tracts are comprised of 27 low-income and 4 moderate-income tracts. These low-income tracts represent 67% of all the low income-tracts in the county and the moderate-income tracts represent 8% of the all the moderate-income tracts in the county.

Tract Number	Tract Income	Population	Owner Occupied %	Rental %	Vacant %
2.00	Low	1335	0.00	97.44	2.56
3.01	Low	1232	0.49	58.41	41.10
3.02	Low	963	7.81	64.13	28.07
4.00	Low	1114	4.84	92.25	2.91
9.00	Low	2070	0.41	65.43	34.16
10.00	Low	1357	1.52	65.62	32.86
11.00	Low	1141	9.0	67.26	23.75
14.00	Moderate	663	12.18	48.96	38.86
15.00	Low	2261	12.83	61.43	25.74
16.00	Low	1712	1.03	67.12	31.85
17.00	Low	1358	4.27	68.43	27.30
19.00	Moderate	1754	20.50	66.25	13.25
23.00	Low	1816	16.09	59.03	24.88
25.00	Low	2317	17.46	68.97	13.58
26.00	Low	3364	14.13	72.46	13.41
28.00	Low	1506	19.42	57.55	23.02
29.00	Moderate	4775	12.23	78.21	9.56
30.00	Low	3978	9.39	81.42	9.20
32.00	Low	1589	17.58	71.95	10.47
33.00	Moderate	2241	7.50	78.53	13.97
34.00	Low	1049	12.52	68.69	18.79
35.00	Low	1389	18.57	61.21	20.22
36.00	Low	1638	9.14	75.81	15.05
37.00	Low	2059	10.96	74.34	14.70
66.00	Low	2913	16.71	71.09	12.20
67.00	Low	3357	16.59	62.14	21.26
68.00	Low	5072	19.80	67.13	13.08
80.00	Low	5375	6.03	86.80	7.17
85.01	Low	4136	15.49	72.32	12.20
85.02	Low	2453	5.21	88.02	6.77
91.00	Low	1309	13.83	67.61	18.56

The impact of the bank’s ability to extend mortgage-type loans in some of these tracts is discussed in more detail in the “Geographic Distribution of Lending” section of this report.

Combined Demographics Report

North Side Bank and Trust Company

Assessment Area(s): 17140 - Cincinnati-Middletown, OH-KY-IN

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	42	15.4	22,400	8.0	8,506	38.0	55,106	19.8
Moderate-income	59	21.6	46,056	16.5	6,141	13.3	48,841	17.5
Middle-income	106	38.8	118,793	42.7	5,485	4.6	60,345	21.7
Upper-income	63	23.1	91,057	32.7	1,660	1.8	114,014	41.0
Unknown-income	3	1.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	273	100.0	278,306	100.0	21,792	7.8	278,306	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	51,723	9,715	3.6	18.8	33,740	65.2	8,268	16.0
Moderate-income	91,853	38,814	14.2	42.3	44,589	48.5	8,450	9.2
Middle-income	193,798	124,806	45.7	64.4	59,681	30.8	9,311	4.8
Upper-income	126,900	99,464	36.5	78.4	22,483	17.7	4,953	3.9
Unknown-income	200	18	0.0	9.0	120	60.0	62	31.0
Total Assessment Area	464,474	272,817	100.0	58.7	160,613	34.6	31,044	6.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	3,355	7.1	2,726	6.7	387	10.6	242	8.6
Moderate-income	7,709	16.4	6,374	15.7	773	21.1	562	19.9
Middle-income	19,018	40.5	16,312	40.3	1,492	40.7	1,214	42.9
Upper-income	16,424	35.0	14,732	36.4	932	25.5	760	26.9
Unknown-income	483	1.0	355	0.9	78	2.1	50	1.8
Total Assessment Area	46,989	100.0	40,499	100.0	3,662	100.0	2,828	100.0
Percentage of Total Businesses:				86.2		7.8		6.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	6	2.1	5	1.8	1	16.7	0	0.0
Moderate-income	24	8.4	23	8.4	1	16.7	0	0.0
Middle-income	129	45.3	123	44.9	2	33.3	4	80.0
Upper-income	125	43.9	122	44.5	2	33.3	1	20.0
Unknown-income	1	0.4	1	0.4	0	0.0	0	0.0
Total Assessment Area	285	100.0	274	100.0	6	100.0	5	100.0
Percentage of Total Farms:				96.1		2.1		1.8

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The bank is rated Satisfactory under the lending test.

Loan-to-Deposit Ratio

The following table illustrates North Side's quarterly LTD ratios for nine quarters since the previous evaluation, along with the average LTD ratio for the same period. In addition to the bank's ratios, the table below also includes the national peer bank ratios.¹⁷

North Side - Aggregate Peer Bank Loan-to-Deposit Ratios				
As of Date	Net Loans (000s)	Total Deposits (000s)	Bank Ratio	Peer Ratio
December 31, 2010	345,014	379,866	90.83	77.00
September 30, 2010	344,547	378,955	90.92	79.69
June 30, 2010	351,230	384,388	91.37	80.44
March 31, 2010	349,153	379,373	92.03	80.88
December 31, 2009	359,255	378,607	94.89	82.65
September 30, 2009	364,121	376,134	96.81	84.76
June 30, 2009	369,980	365,060	101.35	85.98
March 31, 2009	357,053	361,828	98.68	86.84
December 31, 2008	353,466	345,429	102.33	89.27
Quarterly Loan-to-Deposit Ratio Average Since Previous Evaluation			95.47	83.06

The bank averaged 95.5% LTD over the past nine quarters. The bank's average LTD ratio is higher than the national peer group average LTD ratio of 83.1%. Bank management attributes the lowering LTD ratio to economic conditions and the bank's conservative lending philosophy. With economic conditions, management has seen individuals and businesses reducing debt and saving money.

While the three banks used to comprise the custom peer group are savings and loans and more heavily involved in mortgage-type lending, they most similarly reflect North Side's asset size and number of branches within the market. There were no similarly situated local banks in North Side's market area. North Side's LTD ratio is taken from the above table and compared to the following local peer banks: The Guardian Savings Bank, Cheviot Savings Bank, and Franklin Savings & Loan. Like North Side, each of these banks has less than 1.0% of the deposit market share at 0.8%, 0.6%, and 0.5%, respectively. Reviewing the ratios below, it appears North Side is mirroring the local peer banks' performance. North Side's deposits have increased while lending has decreased causing the LTD to decrease in the past 9 quarters.

¹⁷ North Side's national peer group consists of all commercial banks having assets between \$300 million and \$1 billion.

Institution Name	FDIC CERT ID	# of Total Branches and (# Inside Market)	Financial Information As of September 30, 2010 ¹⁸		
			Total Assets	Net Loans and Leases	Total Deposits
North Side	9457	7 (all)	\$501,523	\$344,547	\$378,955
Guardian Savings Bank	27998	9 (4)	\$737,881	\$641,965	\$657,761
Cheviot Savings Bank	27946	6 (all)	\$342,275	\$235,357	\$252,147
Franklin Savings & Loan	28668	8 (all)	\$274,350	\$224,795	\$227,963

North Side - Local Peer Bank Loan-to-Deposit Ratios				
As of Date	North Side	Guardian	Cheviot	Franklin
9/30/2010	90.92	97.60	93.34	98.61
6/30/2010	91.38	79.83	98.56	97.04
3/31/2010	92.03	81.68	97.99	101.16
12/31/2009	94.89	88.13	101.09	98.36
9/30/2009	96.81	76.68	106.97	103.90
6/30/2009	101.35	87.18	117.68	108.37
3/31/2009	98.68	98.25	108.44	109.20
12/31/2008	102.33	77.28	117.98	119.42
Quarterly LTD Average Ratio	96.05	85.83	105.26	104.51

Therefore, considering the bank’s lending-related activity, size, financial condition, and assessment area credit needs, North Side’s LTD ratio is considered to be reasonable.

Lending in the Assessment Area

The table below shows North Side’s volume of loans extended inside and outside the bank’s assessment area during the evaluation period:

Lending Inside and Outside the Assessment Area								
Loan Type	Inside the Assessment Area				Outside the Assessment Area			
	# of Loans	%	\$(000s)	%	# of Loans	%	\$(000s)	%
Total Small Business	179	88.6	35,107	81.3	23	11.4	8,070	18.7
Home Refinance	93	82.3	14,651	77.6	20	17.7	4,232	22.4
Home Purchase	58	86.6	6,207	72.2	9	13.4	2,388	27.8
Home Improvement	64	80.0	1,145	85.7	16	20.0	191	14.3
Total HMDA Loans	215	82.7	22,003	76.4	45	17.3	6,811	23.6
Total Loans	394	85.3	57,110	79.3	68	14.7	14,881	20.7

The table illustrates that a majority of the bank’s loans, both by number and dollar amount were made inside of its assessment area.

¹⁸ December 31, 2010 financial information was not available for peer banks on the FDIC’s website at the time of this report. <http://www2.fdic.gov/sdi/main.asp>

Geographic Distribution of Lending

The bank's geographic distribution of lending reflects a reasonable dispersion throughout the assessment area, considering that North Side is not among the top competitors in this market and that the top five competitors have approximately 65.2% of the offices in the market. Small business lending, which represents 45.0% of lending by volume, was given the most weight and was considered good. Home refinance lending, which represents 24.0% of lending by volume, was weighted next, followed by home purchase and home improvement lending.

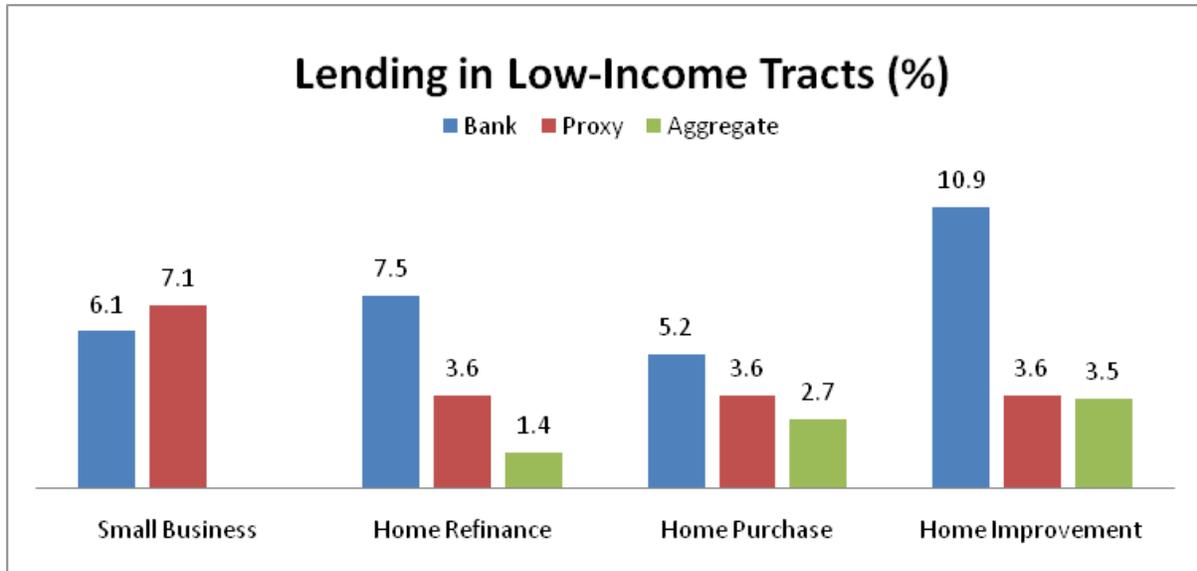
As a result, geographic distribution was weighted more heavily than the bank's borrower distribution, primarily because North Side's assessment area is an urban market with a significant number of low- and moderate-income tracts. Also, lending patterns in low- and moderate-income geographies are always given more weight than lending in middle- and upper-income geographies.

The assessment area consists of 273 total census tracts, of which three had unknown income. The unknown income census tracts were not included in the analysis of geographic distribution. Of the 270 census tracts, the majority (228 or 84.4%) are located in Hamilton County. In addition, 95.0% of the low-income tracts and 83.0% of moderate-income census tracts are located within Hamilton County.

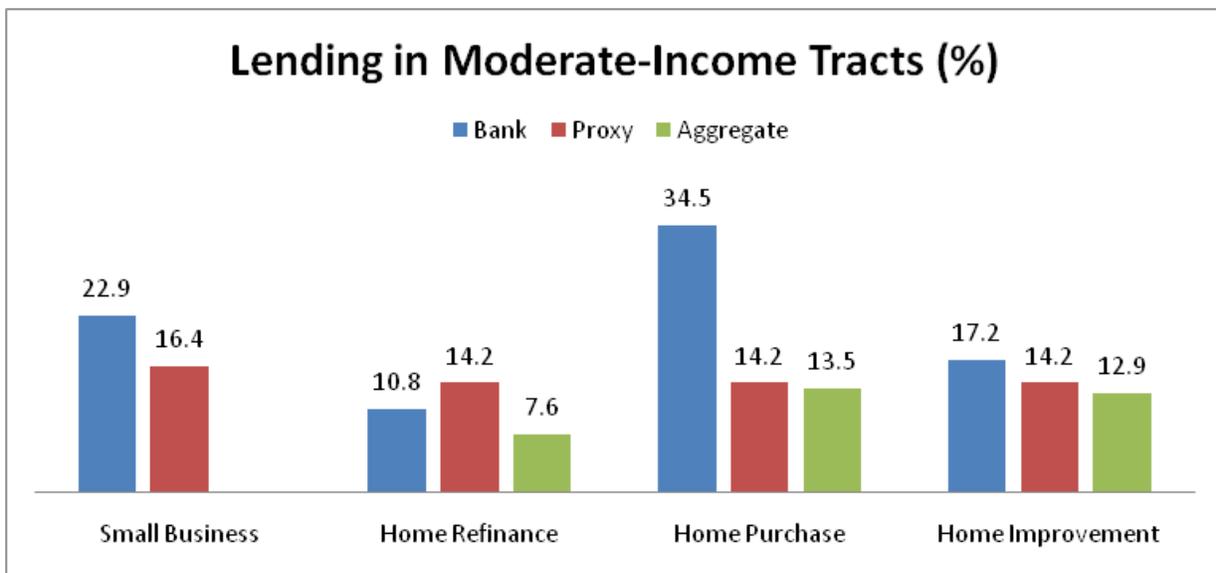
Of the total number of loans originated during this review period, 7.1% of the bank's loans were made in low-income geographies and 20.9% were made in moderate-income geographies. By comparison, 44.5% of the bank's loans were originated in middle-income tracts and 27.5% in upper-income tracts. North Side made loans in 11 out of 42 of its low-income tracts for a penetration rate of 26.2% and in 28 out of 59 of its moderate-income tracts for a penetration rate of 47.5% during this review period. Overall, North Side penetrated slightly over half of its census tracts (51.1%).

No small business loans were originated in 90.5% low-, 71.2% moderate-, 75.5% middle-, and 76.2% upper-income tracts. Overall, North Side was able to penetrate 22.9% of its census tracts, which means the bank did not make small business loans in 77.1% of the census tracts in its assessment area.

No mortgage loans were originated in 80.9% of low-, 77.9% of moderate-, 62.3% of middle-, and 34.9% of upper-income tracts. These gaps are reasonable considering the census tracts identified earlier in this evaluation. There are 27 low- and four moderate-income tracts with owner-occupancy rates under 20.0% and/or renter-occupancy rates of 75.0% or greater. As a result, there are limited opportunities for the bank to make mortgage-type loans in these areas.



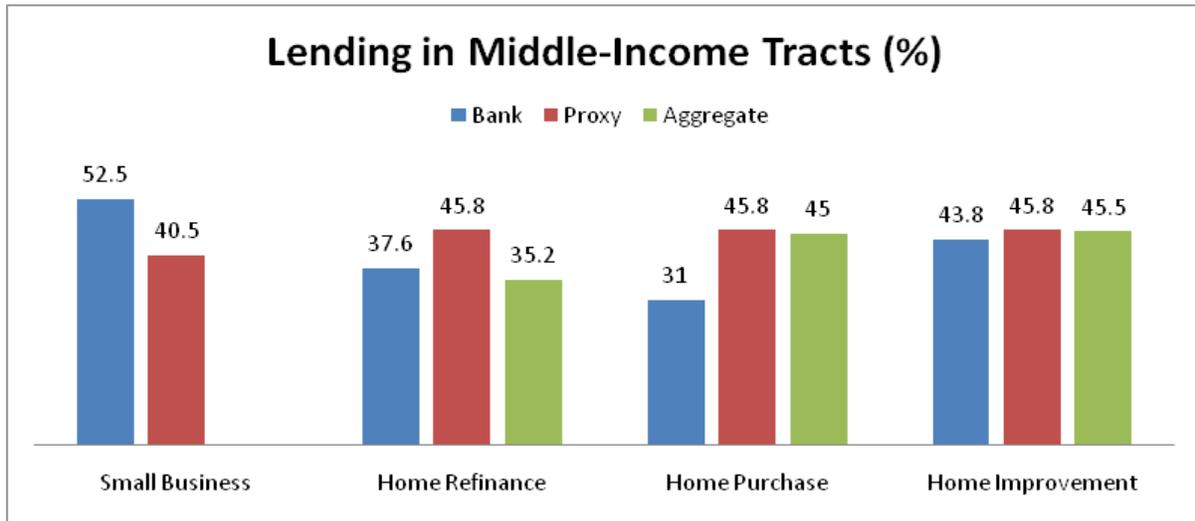
The above chart shows that North Side originated a slightly lower percentage of loans than the percentage of businesses in low-income tracts. In addition, the bank originated a substantially higher percentage of home improvement and home refinance loans and a slightly higher percentage of home purchase loans than both the percentage of owner-occupied housing units (proxy) and the aggregate of all HMDA lenders in low-income tracts.



The chart shows that North Side originated a higher percentage of loans than the percentage of businesses in moderate-income tracts.

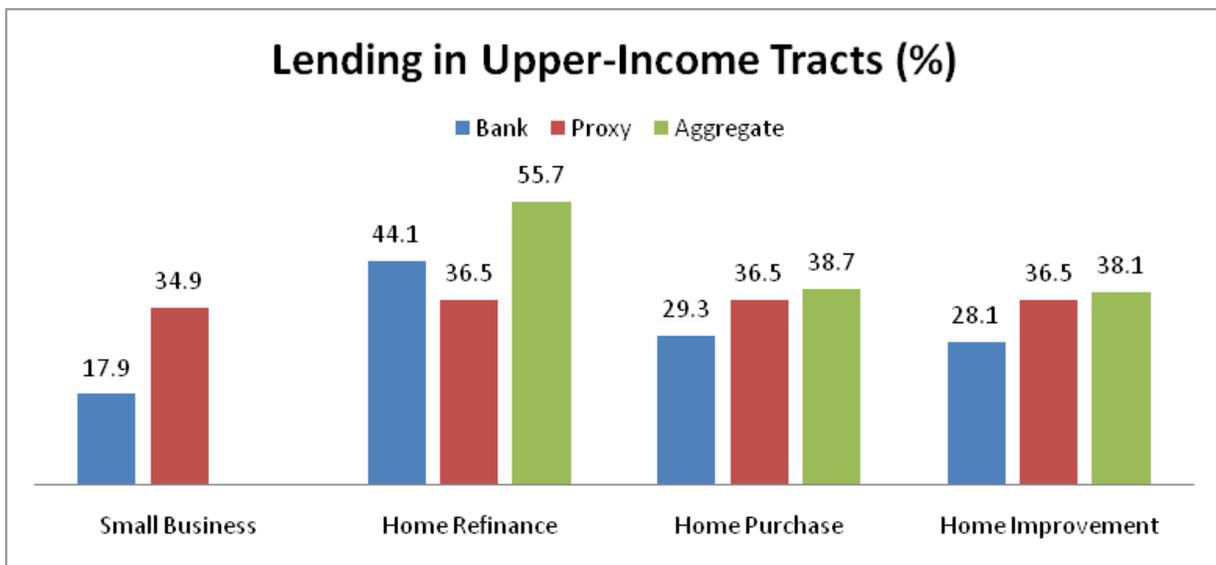
The chart also shows that North Side originated a lower percentage of home refinance loans than the proxy and a slightly higher level of home refinance loans than the aggregate of all lenders.

North Side originated a substantially higher percentage of home purchase and slightly higher percentage of home improvement loans than both the proxy and the aggregate of all lenders.



The chart shows that North Side originated a higher percentage of loans than the percentage of businesses in middle-income tracts.

The chart also shows that North Side originated a lower percentage of home refinance loans than the proxy and a slightly higher level of home refinance loans than the aggregate of all lenders. North Side originated a substantially lower percentage of home purchase loans than both the proxy and the aggregate of all lenders. The bank originated a slightly lower level of home improvement loans than both the proxy and the aggregate of all lenders.



The chart shows that North Side originated a substantially lower percentage of loans than the percentage of businesses in upper-income tracts.

The chart also shows that North Side originated a higher percentage of home refinance loans than the proxy and a lower level of home refinance loans than the aggregate of all lenders. North Side originated a lower percentage of home purchase and home improvement loans than both the proxy and the aggregate of all lenders.

The bank's geographic distribution of small business and home refinance loans is comparable to the percentage of businesses and owner-occupied units within the low- and moderate-income geographies. It was noted however, that North Side originated a higher percentage of all HMDA loans compared to the aggregate of all lenders. As a result, small business and home refinance lending is considered good

North Side's geographic distribution of home purchase and home improvement loans is considered excellent. The bank's percentage of lending exceeded the percentage of owner-occupied units and exceeded the percentage lending of aggregate of all lenders.

Borrower Distribution of Lending

The distribution of borrowers reflects a reasonable penetration among customers of different income levels and businesses of different sizes.

North Side has two portfolio lending programs targeted to low- and moderate-income borrowers. Since 2005, the bank has offered the North Side Home Ownership Program (NSHOP), which is designed to provide a special homeownership program that may not conform to other secondary market guidelines. North Side originated 19 NSHOP loans aggregating \$996,550 during this review period. Beginning in April 2010, North Side began offering the Affordable Second Mortgage Program, which is designed to provide alternative second mortgage financing for low- and moderate-income homeowners residing within the bank's assessment area.

In addition, North Side offers lower-income individuals the opportunity to participate in two Federal Home Loan Bank (FHLB) programs. The Welcome Home Grant Program provides down payment assistance for first-time, low- and moderate-income homebuyers. North Side obtained seven grants aggregating \$35,000 during this review period. The Preserving the American Dream Foreclosure Prevention Program provides rescue funds to low- and moderate-income homeowners. North Side obtained \$14,737 in funds to assist six qualified homeowners during this review period.

According to 2009 business demographic data, the bank's assessment area has 46,989 businesses, 86.2% of which are small businesses (businesses with gross annual revenues of \$1 million or less). During this evaluation period, North Side originated 179 small business loans aggregating \$35.1 million.

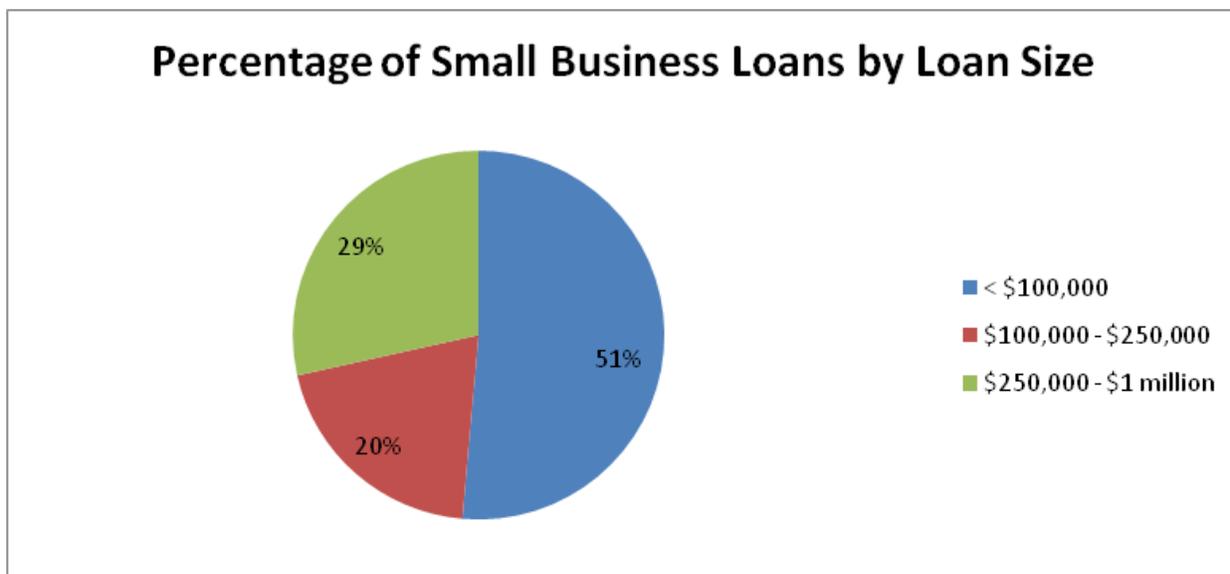
The bank originated only 18.4% of its small business loans to businesses with \$1million or less in revenue, compared to 86.2% of these businesses within the assessment area. Due to the low percentage of small business lending, the bank's lending was also compared to other peer banks in this market.

While the other peer banks' lending is also significantly less than the proxy at 27.0%, North Side's lending is still considerably less than peer and the percentage of small businesses in the area.

A substantially higher proportion (79.3%) of the bank's loans was originated to businesses with gross annual revenues over \$1 million, which represent 7.8% of businesses.

Further analysis revealed that North Side experienced a 61.5% decrease in the percentage of loans originated to small businesses since the previous evaluation period. This trend is also reflected by other peer banks in this market, which experienced a 55.9% decrease during the same time period. Although North Side's decrease is greater than the peer during this evaluation period, the bank is still considered primarily as a commercial lender. As a result, the bank's lending to businesses with gross annual revenues of \$1 million or less is considered poor.

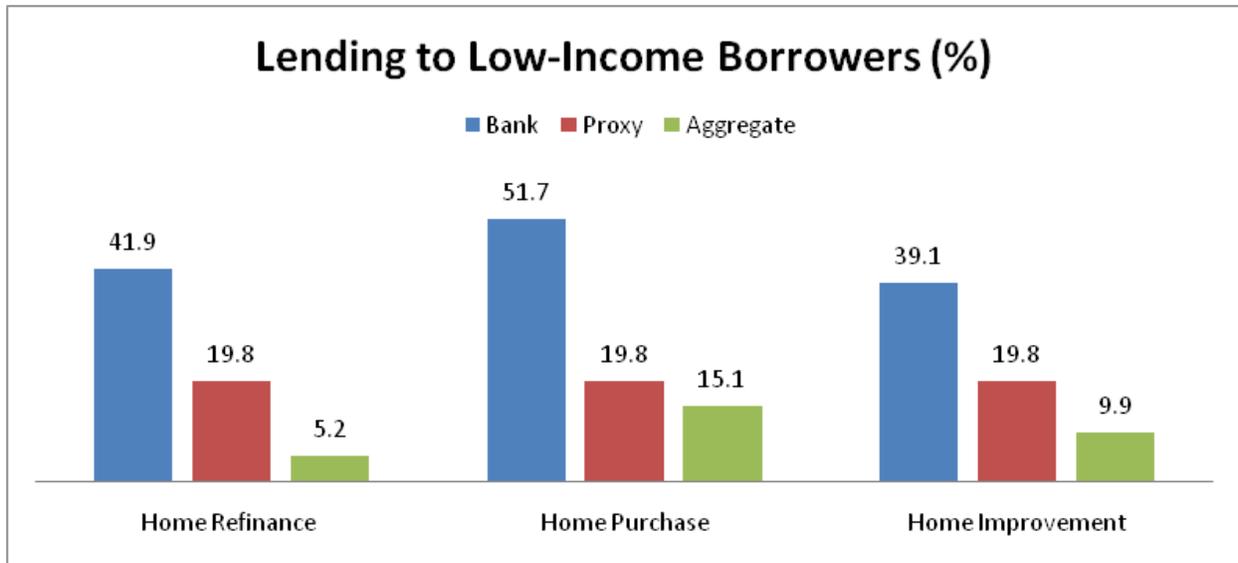
As shown in the chart below, of the bank's 179 small business loans, slightly more than half (51.4%) were extended in an amount of \$100,000 or less. By comparison, 90.9% of small business loans originated by the other peer banks in this market were extended in an amount of \$100,000 or less.



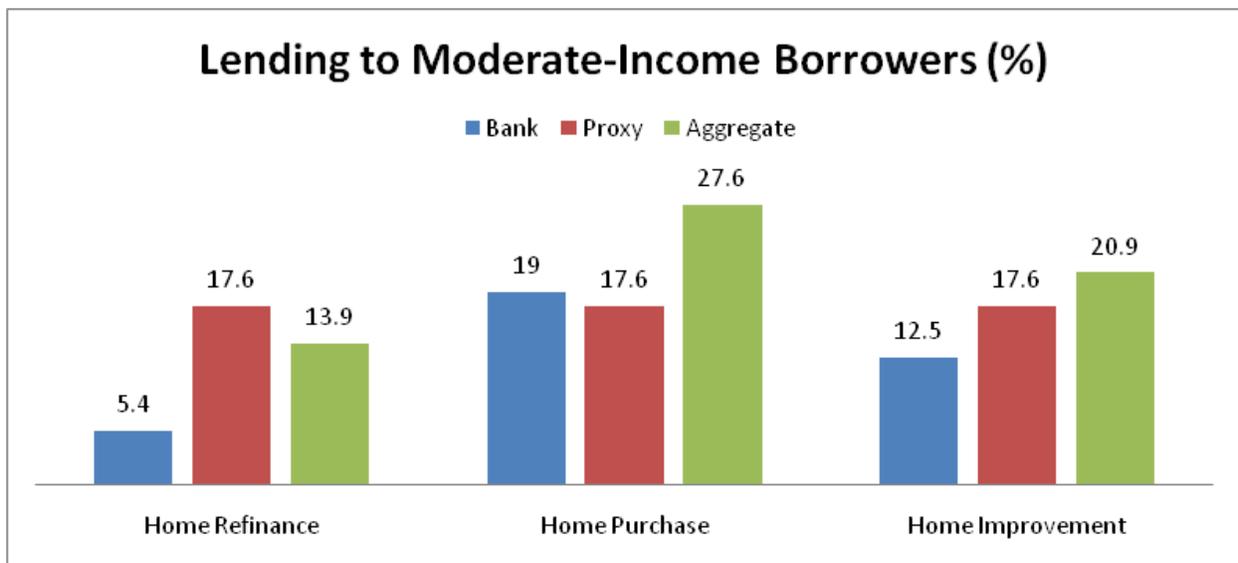
Smaller loans are generally commensurate with the borrowing needs of smaller businesses and two community contacts stated that access to smaller loans is needed. Based on this analysis, it appears that North Side's lending activity of smaller dollar loans could be improved toward meeting the credit needs of such businesses.

North Side participates as a U.S. Small Business Administration (SBA) lender. During the evaluation period, the bank originated six SBA loans aggregating \$3.6 million. Two community contacts stated that SBA loans are typically larger loans around \$350,000.

North Side is also involved in the SBA’s ARC (America Recovery Capital) program, which offers up to \$35,000 relief funds to small businesses facing immediate financial hardship. North Side obtained ARC funds for one small business during this review period.

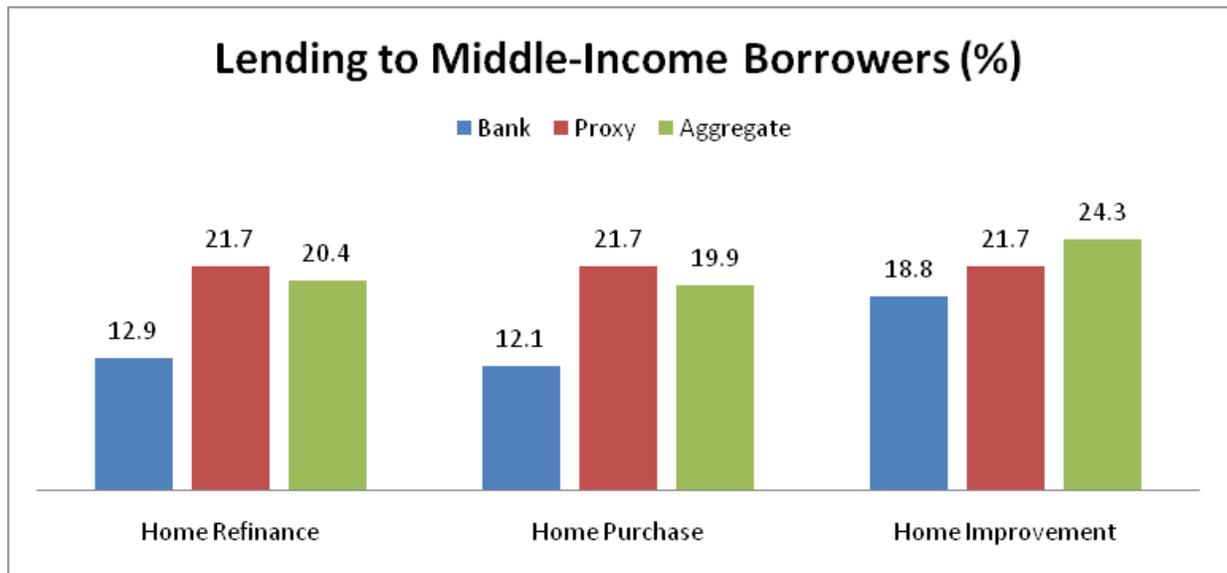


The bank has originated a substantially higher percentage of home refinance, home purchase, and home improvement loans to low-income borrowers (proxy) compared to the percentage of low-income families (proxy) in the assessment area and the aggregate of all lenders. This is notable, considering that less than half (41.2%) of the available housing stock is affordable for low-income families.

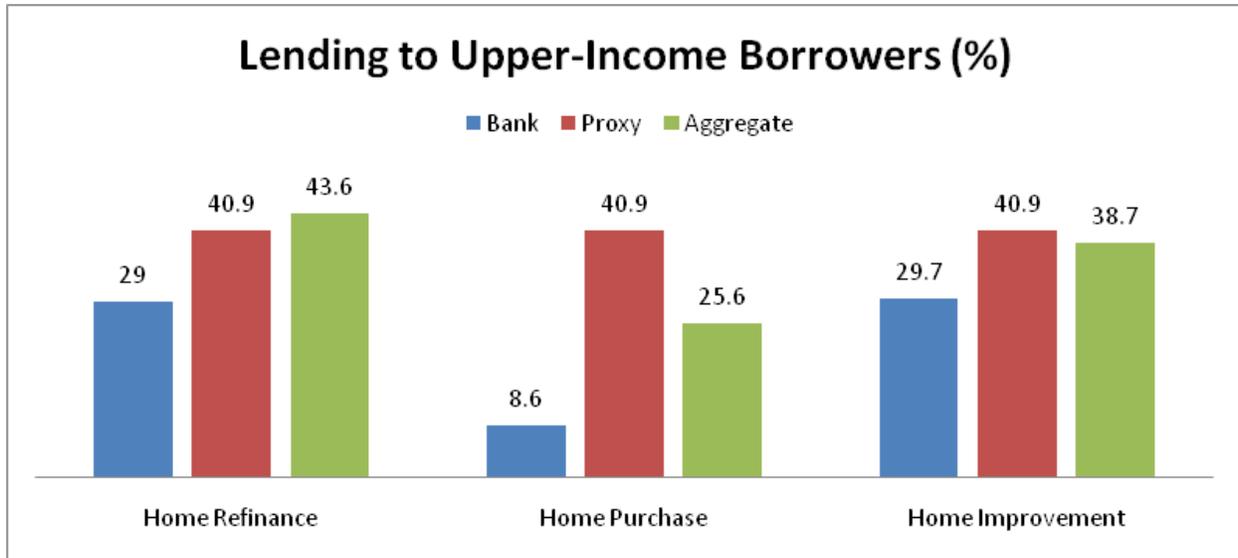


The bank originated a substantially lower percentage of home refinance loans to moderate-income borrowers compared to the proxy and the aggregate of all lenders. North Side originated a slightly higher percentage of home purchase loans compared to the proxy and a substantially lower level than the aggregate of all lenders.

The bank originated a lower percentage of home improvement loans to the proxy and the aggregate of all lenders. About 69.1% of the available housing stock is affordable for moderate-income families.



The bank originated a substantially lower percentage of home refinance and home purchase loans to middle-income borrowers compared to the proxy and the aggregate of all lenders. North Side originated a lower percentage of home improvement loans to middle-income borrowers and the aggregate of all lenders.



The bank originated a substantially lower percentage of home refinance, home purchase, and home improvement loans to upper-income borrowers compared to the proxy and the aggregate of all lenders.

Based on the product analysis, North Side’s lending to low-income borrowers is excellent as the bank exceeded the percentage of families and the aggregate of all lenders taking into consideration 7.8% of the families are at the poverty level. However, the bank’s lending to moderate-income borrowers was not as strong as the bank level of lending was generally less than the percentage of families and the aggregate of all lenders.

Community Development Test

The bank is rated Satisfactory under the community development test.

North Side’s community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services considering its capacity and the needs and availability of such opportunities for community development within its assessment area.

Community Development Loans

North Side’s community development performance demonstrates a good responsiveness to the community development needs of its assessment area through community development loans, considering its capacity and the needs and availability of such opportunities for community development in its assessment. North Side originated 11 loans totaling \$690,922 that qualified for community development purposes.

The primary purpose for all 11 loans was to provide affordable housing for low- and moderate-income individuals and to revitalize and stabilize low- and moderate-income areas. Seven of the 11 loans were participation loans with the Cincinnati Development Fund, of which North Side received 2.95% of the pool. The purpose of these loans was to preserve affordable housing by renovating abandon buildings and refurbishing them into affordable housing units for purchase or rent to low- and/or moderate-income individuals. In addition to providing affordable housing, two participation loans also included the renovation of several commercial storefronts.

One of the participation loans specifically provided Section 8 housing for low- and moderate-income seniors. Of the remaining four loans, two assisted a local redevelopment corporation to acquire and redevelop blighted residential properties in the 'Northside' community, the third helped to fund improvements to Section 8 rental housing for moderate-income individuals, and the remaining loan helped to renovate an unused building into a multi-purpose structure for four affordable residential condominiums for moderate-income individuals and one commercial storefront.

North Side is also involved with Working in Neighborhoods and obtained four grants totaling \$3,960 during the review period. These grants provide up to \$3,000 or 3.0% of the purchase price for down payment assistance for first-time low- and moderate-income homebuyers. Additionally, North Side participates in the Ohio Housing Finance Agency's Affordable First Time Homebuyer Loan Program that assists Ohio's first time homebuyers in finding affordable housing. North Side originated one loan totaling \$167,800 during this review period.

These programs demonstrate North Side's flexibility in providing loan programs outside of traditional credit products.

Community Development Investments

North Side has demonstrated an adequate responsiveness to community development investment needs of its assessment area. During the evaluation period, the bank made 28 new investments to 15 organizations totaling \$52,416. The bank's investments were primarily in the form of donations to support a variety of activities, such as financial education for local contractors and other small business owners, education to low- and moderate-income individuals to break out the cycle of poverty, services directed to low- and moderate-income individuals and families (i.e., food, home repairs, shelter), seminars that promote the stabilization and revitalization of communities by increasing and promoting homeownership in low- and moderate-neighborhoods, the sponsorship of scholarships to assist low- and moderate-income students with financial needs, and first-time homebuyer seminars.

Community Development Services

North Side demonstrated an adequate responsiveness to community development service needs.

The following chart displays the branch distribution by tract income level compared to families by tract income:

	# of Branches	Percentage of Branches	# of Tracts	Percentage of Tracts	Percentage of Families by Income
Low-income	0	0.00%	42	15.6%	19.8%
Moderate-income	3	42.9%	59	21.8%	17.5%
Middle-income	4	57.1%	106	39.3%	21.7%
Upper-income	0	0.00%	63	23.3%	41.0%
Total	7	100.0%	270	100.0%	100.0%

In general, the branch distribution is representative of the overall makeup of geographies in the assessment area, as 37.4% of the tracts are designated as low- and moderate-income tracts and 42.9% of the bank’s branches are located moderate-income tracts. For a map of the bank’s assessment area detailing its branch distribution, see Appendix A.

In addition to branch delivery systems; North Side offers alternative delivery systems, such as ATMs, telephone, and internet banking. In addition, North Side offers a free check cashing service designed to help those without bank accounts anywhere be able to cash a check drawn on North Side customer’s account at no charge. This is a service that one of the community contacts said is needed for low- and moderate-income individuals.

The bank’s employees provide their financial expertise to local organizations that provide community development services to the community through board and committee memberships. The following are examples of other qualified community development services provided by North Side employees (SVP = senior vice president, VP = vice president):

- *Bank on Cincinnati* –This comprehensive program is targeted at the “unbanked,” those who live without access to mainstream financial institutions. An employee is a member of the Financial Education Committee, which meets every other week to prepare a standard curriculum that includes financial education for unbanked persons desiring to open a bank account.
- *ABA Get Smart About Credit Day/Accounting for Kids Day/Smart Money Choices/Teach Children to Save Day* – Twelve employees/officers volunteer to teach these programs at seven different low- and moderate-income schools in Hamilton County. These programs are part of the Cincinnati Public Schools curriculum involving volunteers from financial industry to teach financial literacy to its youth in the schools.
- *Action Coach, Business Coaches of Greater Cincinnati* – Two employees conducted a financial education meeting for local small business customers hosted by the bank’s Blue Ash Branch.
- *African American Chamber of Commerce of Greater Cincinnati* – A VP and an employee participated at a small business banking roundtable dialogue discussing the advantages and disadvantages of small business loans and ARC loan servicing, businesses’ bankability, the impact on small business lending in the current economy, and alternative lending options.

- *Annual Construction Seminar* – A SVP, three VPs, and an employee were involved in this seminar. North Side’s commercial loan officers provided financial expertise regarding the requirements of obtaining a commercial loan and sponsorship at this annual construction seminar that was free of charge and available to all local small business contractors.
- *Cincinnati Development Fund* – The CRA Officer is a member of the loan committee. This non-profit organization helps to finance affordable housing, development, and community revitalization projects and offers participation loan opportunities for financial institutions.
- *Cincinnati Northside Community Urban Redevelopment Corporation* – A SVP is the current director for this organization that supports the acquisition and redevelopment of blighted properties in the Northside neighborhood.
- *Federal Home Loan Bank's Preserving the American Dream Program* – The CRA Officer is a committee member on the consortium that allocates rescue funds for low- and moderate-income borrowers. The foreclosure prevention consortium is comprised representatives from seven banks.
- *Horizon Certified Development Corporation* – A VP is a voting member of the loan committee for the Hamilton County chapter and the compliance officer is a voting member of the loan committee for the Kentucky chapter of this corporation. This organization provides professional economic development expertise to the local communities it serves.
- *Lifespan* – Two branch managers and an employee teach financial literacy classes for low- and moderate-income individuals residing in the city of Hamilton. This non-profit agency provides a variety of services, including credit counseling, to the residents of Butler and Warren Counties.
- *Ohio Housing Finance Agency* – The CRA Officer was a roundtable panelist participating in a discussion concerning how to help Ohio homeowners avoid foreclosure.
- *Ohio Minority Contractor Business Assistance Program* – A VP was a presenter at a program promoting how to build and maintain a banking relationship. This program provides assistance to Ohio's underutilized businesses with emphasis on minority and small at risk businesses.
- *Su Casa Hispanic Center* – An employee conducted financial literacy workshops for low- and moderate-income Hispanic citizens at the Center.
- *Working in Neighborhoods* – The CRA Officer, a VP, and an employee provided financial counseling for first time low- and moderate-income homebuyers, foreclosure prevention, and financial education for low- and moderate-income youth. Working in Neighborhoods is a HUD-approved counseling agency.

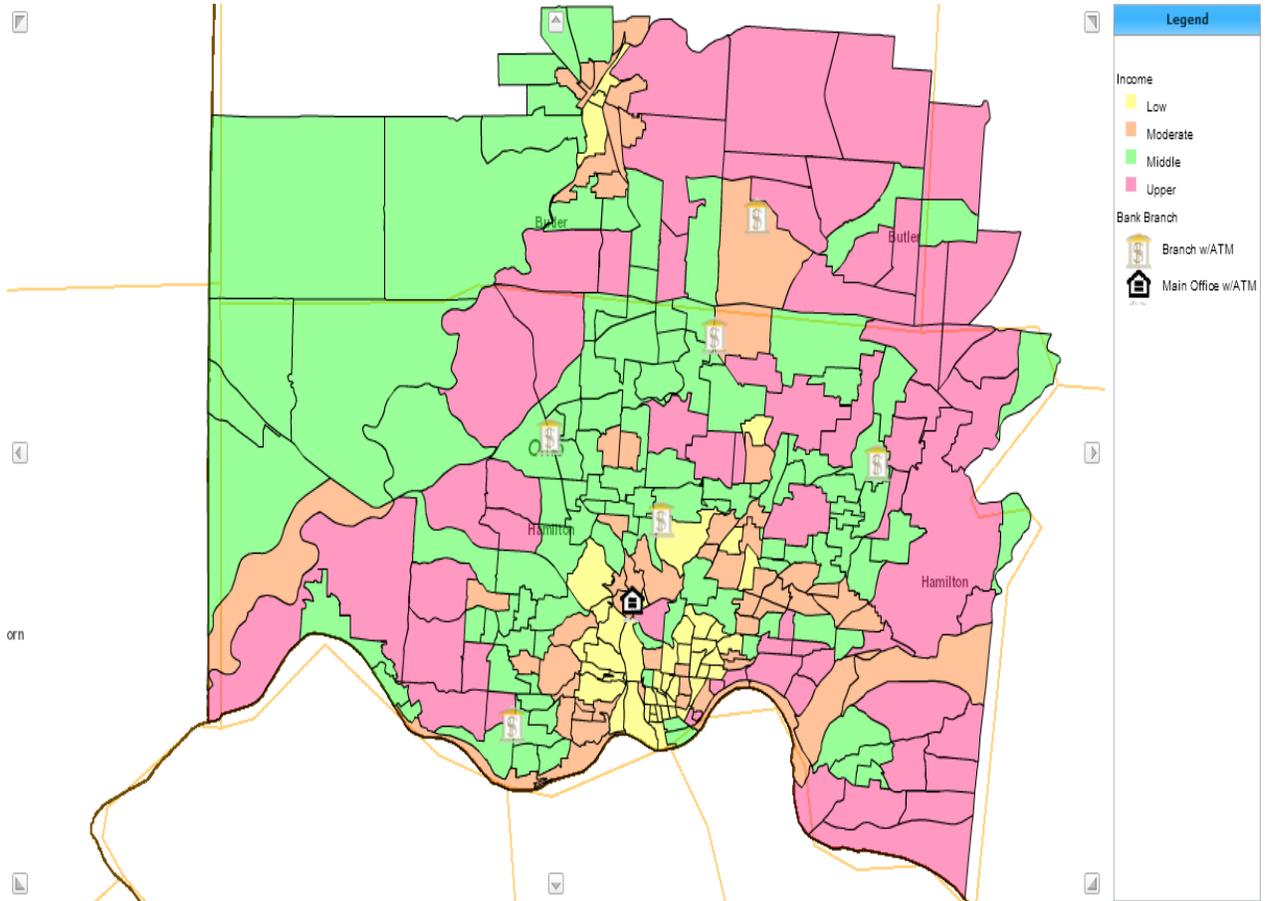
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDIX A

ASSESSMENT AREA MAP

North Side Bank and Trust Company Assessment Area: 17140 - Cincinnati-Middletown, OH-KY-IN



APPENDIX B

DISTRIBUTION TABLES

Geographic Distribution of HMDA Loans										
Assessment Area: 17140 - Cincinnati-Middletown, OH-KY-IN										
	Total HMDA Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Owner Occ Units	% of Bank Loans	% of Owner Occ Units	% of Bank Loans	% of Owner Occ Units	% of Bank Loans	% of Owner Occ Units	% of Bank Loans
Home Purchase	58	27.0	3.6	5.2	14.2	34.5	45.8	31.0	36.5	29.3
Refinance	93	43.3	3.6	7.5	14.2	10.8	45.8	37.6	36.5	44.1
Home Improvement	64	29.7	3.6	10.9	14.2	17.2	45.8	43.8	36.5	28.1

Borrower Distribution of HMDA Loans										
Assessment Area: 17140 - Cincinnati-Middletown, OH-KY-IN										
	Total HMDA Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Families	% of Bank Loans	% of Families	% of Bank Loans	% of Families	% of Bank Loans	% of Families	% of Bank Loans
Home Purchase	58	27.0	19.8	51.7	17.6	19.0	21.7	12.1	40.9	8.6
Refinance	93	43.3	19.8	41.9	17.6	5.4	21.7	12.9	40.9	29.0
Home Improvement	64	29.7	19.8	39.1	17.6	12.5	21.7	18.8	40.9	29.7

Geographic Distribution of Small Loans to Businesses										
Assessment Area: 17140 - Cincinnati-Middletown, OH-KY-IN										
	Total Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Businesses	% of Bank Loans	% of Businesses	% of Bank Loans	% of Businesses	% of Bank Loans	% of Businesses	% of Bank Loans
Small Business	179	100.0	7.1	6.1	16.4	22.9	40.5	52.5	34.9	17.9

Borrower Distribution of Small Loans to Businesses							
Assessment Area: 17140 - Cincinnati-Middletown, OH-KY-IN							
	Total Loans		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		
	#	% of Total	% of Businesses	% of Bank Loans	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000
Small Business	179	100.0	86.2	18.4	51.4	20.1	28.5

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 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-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 non-mortgage, 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.