

# **PUBLIC DISCLOSURE**

September 30, 2013

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Portage Community Bank  
RSSD: 2668598

1311 East Main Street  
Ravenna, OH 44266

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.

## TABLE OF CONTENTS

|  |    |
|--|----|
| Institution’s CRA Rating .....                         | 1  |
| Scope of Examination .....                             | 2  |
| Description of Institution .....                       | 3  |
| Description of Assessment Area .....                   | 4  |
| Conclusions with Respect to Performance Criteria ..... | 10 |
| Appendix A: Assessment Area Map .....                  | 18 |
| Appendix B: Lending Tables .....                       | 19 |
| Appendix C: Glossary of Terms .....                    | 23 |

**INSTITUTION'S CRA RATING: This institution is rated “Outstanding.”**

The major factors and criteria contributing to this rating include:

- The loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs;
- A majority of loans and other lending-related activities are in the assessment area;
- The geographic distribution of loans reflects an excellent dispersion throughout the assessment area;
- The distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income);
- The distribution of loans to businesses reflects a reasonable penetration among businesses of different sizes given the demographics of the assessment area;
- The record of community development investments and services within the community also contributed to the bank’s overall rating; and,
- There were no CRA-related complaints filed against the bank since the previous CRA examination.

The previous CRA evaluation dated August 18, 2008 was rated “Outstanding.”

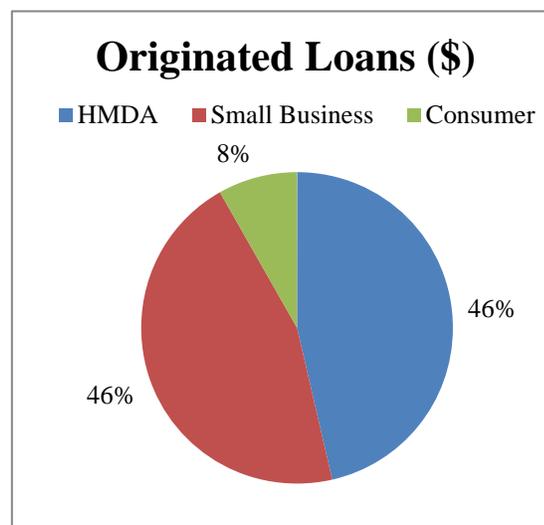
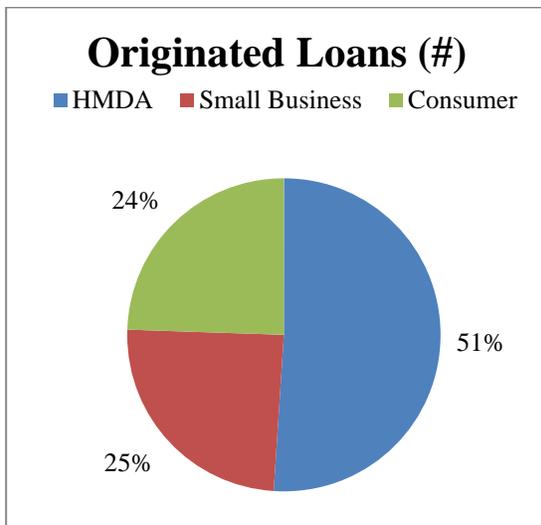
### SCOPE OF EXAMINATION

Portage Community Bank’s (PCB) Community Reinvestment Act (CRA) performance was evaluated using the small bank examination procedures. Under this examination method, the bank was evaluated considering lending activity throughout its assessment area.

The CRA performance was evaluated using lending data for the period of January 1, 2012 through December 31, 2012. The loan products reviewed included loans reported under the Home Mortgage Disclosure Act (HMDA), consumer loans and small business loans. HMDA loans are comprised of home purchase, refinance and home improvement loans and consumer loans are comprised of home equity lines of credit, motor vehicle loans and other secured and unsecured consumer loans.

The following table and charts illustrate the volume and distribution of loans originated within PCB’s assessment area during the evaluation period.

| Loan Type      | Number of Loans | Dollar Amount of Loans (000s) |
|----------------|-----------------|-------------------------------|
| HMDA           | 267             | 34,680                        |
| Small Business | 128             | 33,943                        |
| Consumer       | 128             | 6,151                         |
| <b>Total</b>   | <b>523</b>      | <b>74,774</b>                 |



Based on total loan volume by number and dollar amount, HMDA loans received greater weight followed by small business then consumer loans.

Geographic and borrower distributions were weighted equally given the number of low- and moderate-income tract and the percentage of low- and moderate-income families in the assessment area.

## DESCRIPTION OF INSTITUTION

PCB is the banking subsidiary of Portage Bancshares, Inc. Both the bank and the holding company are located in Ravenna, Ohio.

As of June 30, 2013, PCB had total assets of \$270 million. Total assets have grown 37.8% from the previous CRA evaluation.

PCB has two offices, both with full-service ATMs. The main office is located in Ravenna, Ohio and is in a moderate-income tract, while the second office is in Kent, Ohio and is in a middle-income tract. PCB's assessment area gained one low-income tract and four moderate-income tracts as a result of the 2010 U.S. Census.

PCB is a full-service retail bank offering deposit accounts, residential mortgage, consumer, and commercial/agricultural loans. The following chart represents the bank's loan portfolio as of March 31, 2013.

| COMPOSITION OF LOAN PORTFOLIO             |                  |                |                  |                |                  |                |
|---|------------------|----------------|------------------|----------------|------------------|----------------|
| Loan Type                                 | 3/31/2013        |                | 12/31/2012       |                | 12/31/2011       |                |
|   | \$ (000s)        | Percent        | \$ (000s)        | Percent        | \$ (000s)        | Percent        |
| Construction and Development              | 6,089            | 3.2%           | 6,164            | 3.2%           | 5,730            | 3.2%           |
| Secured by One- to Four- Family Dwellings | 94,329           | 49.4%          | 94,298           | 49.4%          | 91,778           | 51.3%          |
| Other Real Estate: Farmland               | 1,817            | 1.0%           | 1,591            | 0.8%           | 568              | 0.3%           |
| Other Real Estate: Multifamily            | 3,148            | 1.6%           | 3,240            | 1.7%           | 2,998            | 1.7%           |
| Other Real Estate: Nonfarm nonresidential | 32,060           | 16.8%          | 31,790           | 16.6%          | 29,041           | 16.2%          |
| Commercial and Industrial                 | 50,356           | 26.4%          | 50,616           | 26.5%          | 46,061           | 25.7%          |
| Loans to Individuals                      | 3,157            | 1.7%           | 3,284            | 1.7%           | 2,800            | 1.6%           |
| Agricultural Loans                        | 0                | 0.0%           | 0                | 0.0%           | 21               | 0.0%           |
| <b>Total</b>                              | <b>\$190,956</b> | <b>100.00%</b> | <b>\$190,983</b> | <b>100.00%</b> | <b>\$178,997</b> | <b>100.00%</b> |

\* This table does not include the entire loan 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.

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

**DESCRIPTION OF PORTAGE COUNTY ASSESSMENT AREA**

PCB’s assessment area is located in the Akron, Ohio Metropolitan Statistical Area (MSA). Although the MSA consists of Portage and Summit Counties, PCB’s footprint is solely comprised of the totality of Portage County. The bank’s assessment area is comprised of one (2.9%) low-income, six (17.1%) moderate-income, 22 (62.9%) middle-income, and six (17.1%) upper-income tracts for a total of 35 tracts, none of which are distressed or underserved.

There is significant banking competition within the bank’s assessment area. There are 16 FDIC-insured institutions operating 50 offices within Portage County. According to the FDIC Deposit Market Share Report,<sup>1</sup> as of June 30, 2012, PCB ranked third of 16 with a market share of 13.7%. The top two institutions by deposit share are larger regional and national financial institutions. The following table illustrates the deposit market share for the top ten financial institutions in the county.

| #  | Financial Institution                      | Deposit Market Share |
|----|--|----------------------|
| 1  | The Huntington National Bank               | 27.63%               |
| 2  | JP Morgan Chase Bank, National Association | 14.01%               |
| 3  | Portage Community Bank                     | 13.70%               |
| 4  | Hometown Bank                              | 7.63%                |
| 5  | KeyBank National Association               | 6.89%                |
| 6  | The Middlefield Banking Company            | 5.54%                |
| 7  | First Place Bank                           | 5.00%                |
| 8  | Fifth Third Bank                           | 4.62%                |
| 9  | PNC Bank, National Association             | 4.06%                |
| 10 | Firstmerit Bank, National Association      | 4.00%                |

**Population Characteristics**

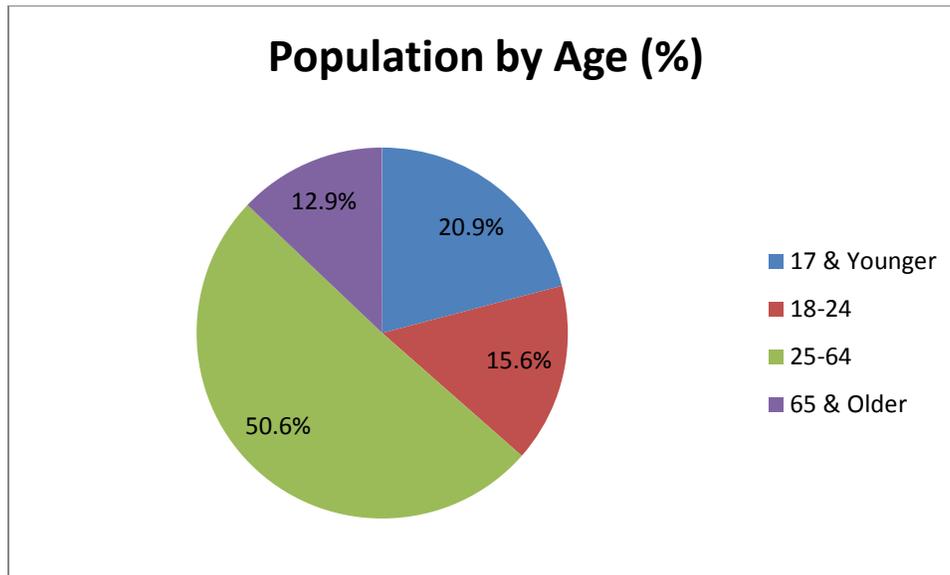
According to the 2010 US Census, the total population in this county was 161,419. Of the population in the county, 4.4% of the residents lived in low-income tracts, 14.3% in moderate-income tracts, 59.8% in middle-income tracts, and 21.4% in upper-income tracts. The largest city in the county is Kent with a 2010 population of 28,904.

The estimated population in Portage County as of July 1, 2012 was 161,451,<sup>2</sup> an increase of .02%. The estimated population of Kent is 29,807, an increase of 3.1%.

1 FDIC Summary of Deposits, [www.fdic.gov](http://www.fdic.gov)

2 American Fact Finder, <http://quickfacts.census.gov/qfd/states/39/39133.html>

The population by age is distributed as follows:



Approximately 20.9% of the population is under 18, the legal age to enter into a contract, while approximately 66.2% is between the ages of 18 and 64, the prime ages when individuals are generally in need of loans.

A portion of the population is made up of students, especially in Kent, as the main campus of Kent State University is located in Portage County. According to the university's website, the main campus has 26,938 students and the 2010 U.S. Census identified 4.21% (6,792) of the population as living in college dormitories.

### Income Characteristics

According to the 2010 U.S. Census, the median family income for the assessment area was \$64,072 in 2010, which was higher than the Ohio median family income of \$59,680. The table below shows that the 2012 median family income increased to \$66,500.<sup>3</sup>

**Borrower Income Levels**  
**Akron, Ohio - MSA**

| HUD Estimated Median Family Income |                 | Low          | Moderate            | Middle              | Upper              |
|------------------------------------|-----------------|--------------|---------------------|---------------------|--------------------|
|                                    |                 | 0 - 49.99%   | 50% - 79.99%        | 80% - 119.99%       | 120% - & above     |
| <b>2012</b>                        | <b>\$66,500</b> | 0 - \$33,249 | \$33,250 - \$53,199 | \$53,200 - \$79,799 | \$79,800 - & above |

<sup>3</sup> Department of Housing and Urban Development, [www.huduser.org/portal/datasets/il.html](http://www.huduser.org/portal/datasets/il.html)

The assessment area contains 61,819 households, of which 41,040 (66%) are designated as families. Low- and moderate-income families represent 18.7% and 18.2% of all families in the assessment area, respectively. In addition, 8.1% of families in the assessment area live below the poverty level compared to 10.3% for Ohio.

The following table below shows poverty rates for Portage County, Ohio, and the U.S. for 1999 and 2011.

| County               | 1999 Poverty Rate | 2011 Poverty Rate | Change        |
|----------------------|-------------------|-------------------|---------------|
| Portage County       | 9.30%             | 14.30%            | 53.76%        |
| <b>Ohio</b>          | <b>10.60%</b>     | <b>16.40%</b>     | <b>54.72%</b> |
| <b>United States</b> | <b>12.40%</b>     | <b>15.90%</b>     | <b>28.23%</b> |

Based on this data from the Ohio Development Services Agency,<sup>4</sup> 14.3% of Portage County's population was in poverty in 2011, which is a 53.8% increase from the poverty rate in 1999 (9.3%). This increase is consistent with the poverty rate increase in Ohio (54.7%) and is higher than the nation (28.2%) for the same time period.

### **Labor, Employment, and Economic Characteristics**

According to the Ohio Office of Policy, Research, and Strategic Planning, the largest industries by average employment are manufacturing; trade, transportation, and utilities; local government; leisure and hospitality; and education and health services. The highest weekly wages by industry are state government (\$1,110), federal government (\$1,089), and natural resources and mining (\$1,004). Some of the major employers in the county are East Manufacturing Corp., General Electric, Kent City Schools, and Kent State University.<sup>5</sup>

The following table shows 2011 and 2012 average annual unemployment rates for Portage County, the Akron MSA, and Ohio. The unemployment rates for the county were at or below the Akron MSA and Ohio for both years. In addition, the table reflects a declining trend in unemployment for each area.

4 Ohio Development Services Agency, <http://www.development.ohio.gov/files/research/P7005.pdf>

5 Ohio County Profiles, Ohio Office of Policy, Research and Strategic Planning, <http://www.development.ohio.gov/files/research/C1068.pdf>

### Unemployment Rates

Assessment Area: Akron, OH MSA

| Area          | Years - Annualized |         |
|---------------|--------------------|---------|
|               | 2011               | 2012    |
| Portage Co.   | 8.3 (E)            | 6.7 (E) |
| Akron, OH MSA | 8.4 (E)            | 6.7 (E) |
| Ohio          | 8.6 (D)            | 7.2 (E) |

Not Seasonally Adjusted

D : Reflects revised population controls and model reestimation.

E : Reflects revised inputs, reestimation, and controlling to new statewide totals.

### Housing Characteristics

According to the 2010 U.S. Census, there were 66,860 housing units in the bank's assessment area. Within the assessment area, 63.9% were owner-occupied, 28.6% were rental units, and 7.5% were vacant. From an income perspective, no owner-occupied housing units are located in the low-income tract and only 13.4% are located in moderate-income tracts, suggesting limited opportunity for mortgage credit in these geographies. In addition, Kent State University is located in the low-income tract and near a moderate-income tract, which creates a higher student population that generally would not be seeking housing-related loans. Portage County's owner-occupancy rate is similar to the Akron MSA's rate of 63.6% and Ohio's rate of 61.6%.

The median age of housing stock is 37 years, with the oldest housing stock in the middle-income tracts at 40 years. The age of the housing stock was slightly lower than the statewide median age of 44 years. One community contact interview, a non-profit organization supporting housing needs of residents in the area, was conducted to provide additional information regarding the credit needs of the local community. According to the contact, housing codes have been changed within the assessment area to now require 2,000 square foot minimums, which makes new housing unaffordable for low- and moderate-income families. The contact stated these individuals tend to obtain older properties and update them as opposed to buying new properties.

The median housing value in the assessment area is \$157,119, with an affordability ratio of 32.1%. The higher the affordability ratio, the more affordable a home is considered. The housing affordability ratio is calculated by dividing median family income by the median housing value. The housing stock in the assessment area is slightly less affordable than the Akron MSA (33.5%) and Ohio (34.7%). Further, based on the 2010 median family income for the Akron MSA (\$66,500), approximately 30.1% of homes valued up to \$120,061 in the assessment area would be considered affordable for low-income individuals and 69.0% of the homes valued up to \$192,097 would be considered affordable for moderate-income individuals. These percentages were calculated assuming a housing expense ratio equal to 28.0% of gross income for a 4.125% fixed rate, 30-year loan.

According to RealtyTrac, one in every 417 properties in Portage County was in foreclosure in September 2013. This was higher than Ohio's rate of one in every 701 properties.<sup>6</sup>

According to Sperling's Best Places,<sup>7</sup> the median home cost in Portage County as of 2012 was \$125,900, which represents an appreciation of 2.3% since the prior year.

The median gross rent in the assessment area was \$748, with 14.7% of the rents under \$500 a month, according to the 2010 U.S. Census and the median gross rent in the Portage County was substantially higher than Ohio (\$678).

The following chart illustrates the demographics of the bank's assessment area.

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<sup>6</sup> RealtyTrac, [www.realtytrac.com](http://www.realtytrac.com)

<sup>7</sup> Sperling's Best Places, [www.bestplaces.net](http://www.bestplaces.net)

### Combined Demographics Report

Assessment Area(s): Portage Community Bank AA

| Income Categories                      | Tract Distribution               |   | Families by Tract Income |                         | Families < Poverty Level as % of Families by Tract |                             | Families by Family Income |              |
|--|----------------------------------|---|--------------------------|-------------------------|--|-----------------------------|---------------------------|--------------|
|  | #                                | %   | #                        | %                       | #  | %                           | #                         | %            |
| Low-income                             | 1                                | 2.9   | 135                      | 0.3                     | 34   | 25.2                        | 7,704                     | 18.8         |
| Moderate-income                        | 6                                | 17.1  | 5,912                    | 14.4                    | 880  | 14.9                        | 7,477                     | 18.2         |
| Middle-income                          | 22                               | 62.9  | 25,627                   | 62.4                    | 2,017  | 7.9                         | 9,227                     | 22.5         |
| Upper-income                           | 6                                | 17.1  | 9,366                    | 22.8                    | 391  | 4.2                         | 16,632                    | 40.5         |
| Unknown-income                         | 0                                | 0.0   | 0                        | 0.0                     | 0  | 0.0                         | 0                         | 0.0          |
| <b>Total Assessment Area</b>           | <b>35</b>                        | <b>100.0</b>                                  | <b>41,040</b>            | <b>100.0</b>            | <b>3,322</b>                                       | <b>8.1</b>                  | <b>41,040</b>             | <b>100.0</b> |
|  | <b>Housing Units by Tract</b>    | <b>Housing Types by Tract</b>                 |                          |                         |  |                             |                           |              |
|  |                                  | <b>Owner-Occupied</b>                         |                          |                         | <b>Rental</b>                                      |                             | <b>Vacant</b>             |              |
|  |                                  | #   | %                        | %                       | #  | %                           | #                         | %            |
| Low-income                             | 1,249                            | 0   | 0.0                      | 0.0                     | 1,084  | 86.8                        | 165                       | 13.2         |
| Moderate-income                        | 10,873                           | 5,751   | 13.5                     | 52.9                    | 4,126  | 37.9                        | 996                       | 9.2          |
| Middle-income                          | 40,326                           | 27,431  | 64.2                     | 68.0                    | 9,946  | 24.7                        | 2,949                     | 7.3          |
| Upper-income                           | 14,412                           | 9,537   | 22.3                     | 66.2                    | 3,944  | 27.4                        | 931                       | 6.5          |
| Unknown-income                         | 0                                | 0   | 0.0                      | 0.0                     | 0  | 0.0                         | 0                         | 0.0          |
| <b>Total Assessment Area</b>           | <b>66,860</b>                    | <b>42,719</b>                                 | <b>100.0</b>             | <b>63.9</b>             | <b>19,100</b>                                      | <b>28.6</b>                 | <b>5,041</b>              | <b>7.5</b>   |
|  | <b>Total Businesses by Tract</b> | <b>Businesses by Tract &amp; Revenue Size</b> |                          |                         |  |                             |                           |              |
|  |                                  | <b>Less Than or = \$1 Million</b>             |                          | <b>Over \$1 Million</b> |  | <b>Revenue Not Reported</b> |                           |              |
|  |                                  | #   | %                        | #                       | %  | #                           | %                         | #            |
| Low-income                             | 25                               | 0.3   | 22                       | 0.3                     | 1  | 0.2                         | 2                         | 0.6          |
| Moderate-income                        | 932                              | 11.8  | 837                      | 11.8                    | 56   | 12.6                        | 39                        | 12.6         |
| Middle-income                          | 4,887                            | 62.1  | 4,459                    | 62.7                    | 247  | 55.4                        | 181                       | 58.6         |
| Upper-income                           | 2,028                            | 25.8  | 1,799                    | 25.3                    | 142  | 31.8                        | 87                        | 28.2         |
| Unknown-income                         | 0                                | 0.0   | 0                        | 0.0                     | 0  | 0.0                         | 0                         | 0.0          |
| <b>Total Assessment Area</b>           | <b>7,872</b>                     | <b>100.0</b>                                  | <b>7,117</b>             | <b>100.0</b>            | <b>446</b>   | <b>100.0</b>                | <b>309</b>                | <b>100.0</b> |
| <b>Percentage of Total Businesses:</b> |                                  |   |                          | <b>90.4</b>             |  | <b>5.7</b>                  |                           | <b>3.9</b>   |
|  | <b>Total Farms by Tract</b>      | <b>Farms by Tract &amp; Revenue Size</b>      |                          |                         |  |                             |                           |              |
|  |                                  | <b>Less Than or = \$1 Million</b>             |                          | <b>Over \$1 Million</b> |  | <b>Revenue Not Reported</b> |                           |              |
|  |                                  | #   | %                        | #                       | %  | #                           | %                         | #            |
| Low-income                             | 0                                | 0.0   | 0                        | 0.0                     | 0  | 0.0                         | 0                         | 0.0          |
| Moderate-income                        | 31                               | 10.2  | 30                       | 10.0                    | 1  | 50.0                        | 0                         | 0.0          |
| Middle-income                          | 233                              | 76.9  | 232                      | 77.1                    | 1  | 50.0                        | 0                         | 0.0          |
| Upper-income                           | 39                               | 12.9  | 39                       | 13.0                    | 0  | 0.0                         | 0                         | 0.0          |
| Unknown-income                         | 0                                | 0.0   | 0                        | 0.0                     | 0  | 0.0                         | 0                         | 0.0          |
| <b>Total Assessment Area</b>           | <b>303</b>                       | <b>100.0</b>                                  | <b>301</b>               | <b>100.0</b>            | <b>2</b>   | <b>100.0</b>                | <b>0</b>                  | <b>.0</b>    |
| <b>Percentage of Total Farms:</b>      |                                  |   |                          | <b>99.3</b>             |  | <b>.7</b>                   |                           | <b>.0</b>    |

Based on 2012 D&B information according to 2010 ACS Boundaries.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Lending Test

The bank is rated “Satisfactory” under the lending test.

### *Loan-to-Deposit Ratio*

A financial institution’s loan-to-deposit ratio (LTD) compares the institution’s aggregate loan balances outstanding to its total deposits outstanding. The ratio is a measure of an institution’s lending volume relative to its capacity to lend and is derived by adding the quarterly LTD ratios and dividing the total by the number of quarters. PCB’s custom peer group consists of similarly situated institutions within the same market.

The following table illustrates PCB’s quarterly LTD ratios for 20 quarters since the previous evaluation, along with the average LTD ratio for the same period for the bank, national peer, and the custom peer.

| Portage Community Bank Loan-to-Deposit Ratios                                |                        |                 |               |                         |              |
|--|------------------------|-----------------|---------------|-------------------------|--------------|
| As of Date   | Portage Community Bank | Aggregate Ratio | Hometown Bank | Middlefield Banking Co. | Custom Peer  |
| June 30, 2013  | 86.39                  | 75.96           | 101.55        | 66.46                   | 84.01        |
| March 31, 2013   | 82.85                  | 74.47           | 100.89        | 65.52                   | 83.21        |
| December 31, 2012  | 83.25                  | 73.62           | 101.55        | 65.32                   | 83.44        |
| September 30, 2012   | 81.26                  | 75.11           | 99.71         | 66.39                   | 83.05        |
| June 30, 2012  | 78.76                  | 74.58           | 97.83         | 68.17                   | 83.00        |
| March 31, 2012   | 76.16                  | 73.54           | 96.02         | 66.79                   | 81.41        |
| December 31, 2011  | 76.97                  | 74.99           | 98.37         | 66.15                   | 82.26        |
| September 30, 2011   | 75.27                  | 74.85           | 98.13         | 62.54                   | 80.34        |
| June 30, 2011  | 80.28                  | 75.74           | 93.70         | 63.84                   | 78.77        |
| March 31, 2011   | 83.56                  | 75.96           | 92.67         | 62.76                   | 77.72        |
| December 31, 2010  | 87.89                  | 76.91           | 91.44         | 62.93                   | 77.19        |
| September 30, 2010   | 88.05                  | 77.55           | 92.78         | 61.40                   | 77.09        |
| June 30, 2010  | 92.64                  | 78.74           | 90.46         | 64.25                   | 77.36        |
| March 31, 2010   | 94.40                  | 80.02           | 90.76         | 65.12                   | 77.94        |
| December 31, 2009  | 96.29                  | 80.54           | 92.91         | 69.12                   | 81.02        |
| September 30, 2009   | 95.75                  | 82.64           | 88.04         | 73.79                   | 80.92        |
| June 30, 2009  | 97.98                  | 83.70           | 87.21         | 78.26                   | 82.74        |
| March 31, 2009   | 101.31                 | 85.06           | 89.30         | 76.57                   | 82.94        |
| December 31 2008   | 104.54                 | 86.22           | 90.69         | 77.25                   | 83.97        |
| September 30, 2008   | 101.87                 | 87.28           | 90.14         | 78.71                   | 84.43        |
| <b>Quarterly Loan-to-Deposit Ratio Average Since the Previous Evaluation</b> | <b>88.27</b>           | <b>78.37</b>    | <b>94.21</b>  | <b>68.07</b>            | <b>81.14</b> |

The bank's average LTD ratio was 88.3% over the past 20 quarters of operation and is above the national peer group average ratio of 78.4%<sup>8</sup> and the customer peer group average ratio of 81.1%. Over the prior 20 quarters, PCB's LTD ratio has decreased from a high of 101.9% in September 2008 to a low of 75.3% in September 2011. Bank management indicated that declines can be attributed to the recent economic recession.

When comparing the bank's quarterly LTD ratio to the aggregate and customer peer ratios, PCB has maintained a higher LTD ratio on average than its peers since the previous examination. Therefore, considering the bank's lending-related activity, size, financial condition, and assessment area credit needs, PCB's LTD ratio is considered reasonable.

***Lending in the Assessment Area***

The bank's mortgage lending, consumer lending, and small business lending was analyzed to determine the volume of lending inside and outside the bank's assessment area.

The following table shows the distribution of loans made inside and outside the bank's assessment area.

**Lending Inside and Outside the  
Assessment Area**

**Exam: Portage Community Bk, Ravenna**

| Loan Type - Description           | Inside     |             |               |             | Outside    |             |               |             | Total      |               |
|-----------------------------------|------------|-------------|---------------|-------------|------------|-------------|---------------|-------------|------------|---------------|
|                                   | #          | %           | \$(000s)      | %           | #          | %           | \$(000s)      | %           | #          | \$(000s)      |
| HE - Home Equity                  | 61         | 85.9        | 4,376         | 85.1        | 10         | 14.1        | 768           | 14.9        | 71         | 5,143         |
| XX - Consumer Loans               | 49         | 86.0        | 708           | 70.2        | 8          | 14.0        | 301           | 29.8        | 57         | 1,008         |
| <b>Total Consumer related</b>     | <b>110</b> | <b>85.9</b> | <b>5,083</b>  | <b>82.6</b> | <b>18</b>  | <b>14.1</b> | <b>1,068</b>  | <b>17.4</b> | <b>128</b> | <b>6,151</b>  |
| CV - Home Purchase - Conventional | 142        | 74.7        | 19,253        | 77.0        | 48         | 25.3        | 5,744         | 23.0        | 190        | 24,997        |
| HI - Home Improvement             | 45         | 60.8        | 5,708         | 61.3        | 29         | 39.2        | 3,603         | 38.7        | 74         | 9,311         |
| RF - Refinancing                  | 1          | 33.3        | 209           | 56.2        | 2          | 66.7        | 163           | 43.8        | 3          | 372           |
| <b>Total HMDA related</b>         | <b>188</b> | <b>70.4</b> | <b>25,170</b> | <b>72.6</b> | <b>79</b>  | <b>29.6</b> | <b>9,510</b>  | <b>27.4</b> | <b>267</b> | <b>34,680</b> |
| SB - Small Business               | 99         | 77.3        | 27,573        | 81.2        | 29         | 22.7        | 6,370         | 18.8        | 128        | 33,943        |
| <b>Total Small Bus. related</b>   | <b>99</b>  | <b>77.3</b> | <b>27,573</b> | <b>81.2</b> | <b>29</b>  | <b>22.7</b> | <b>6,370</b>  | <b>18.8</b> | <b>128</b> | <b>33,943</b> |
| <b>TOTAL LOANS</b>                | <b>397</b> | <b>75.9</b> | <b>57,826</b> | <b>77.3</b> | <b>126</b> | <b>24.1</b> | <b>16,949</b> | <b>22.7</b> | <b>523</b> | <b>74,775</b> |

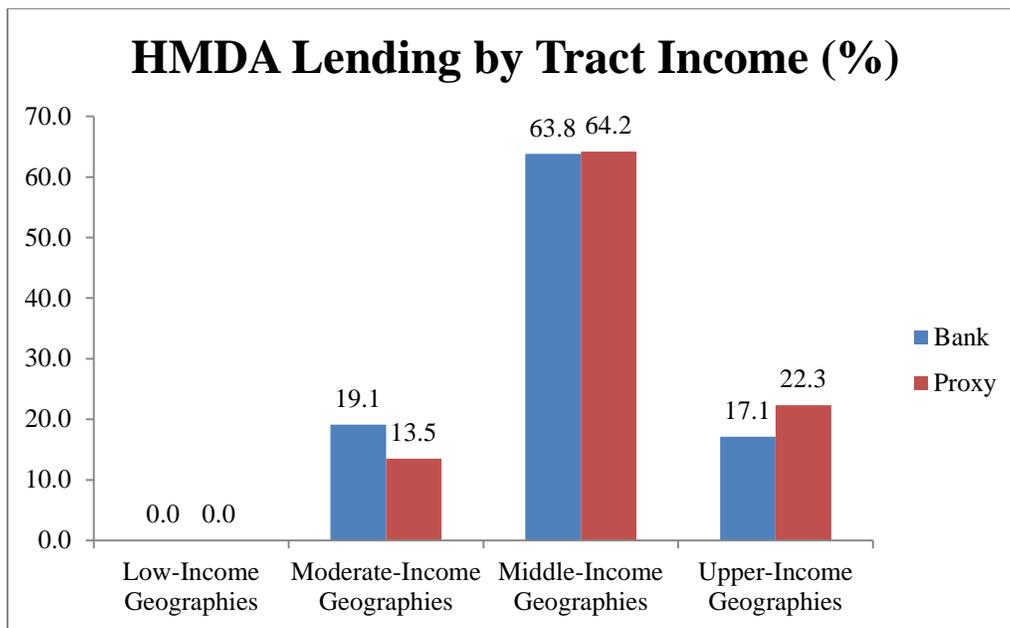
<sup>8</sup> The national peer group consists of all commercial banks having assets between \$100 and \$300 million in nonmetropolitan areas with three or more full-service offices.

The table illustrates that a majority of the bank’s loans were originated inside the assessment area by both volume (75.9%) and dollar amount (77.3%).

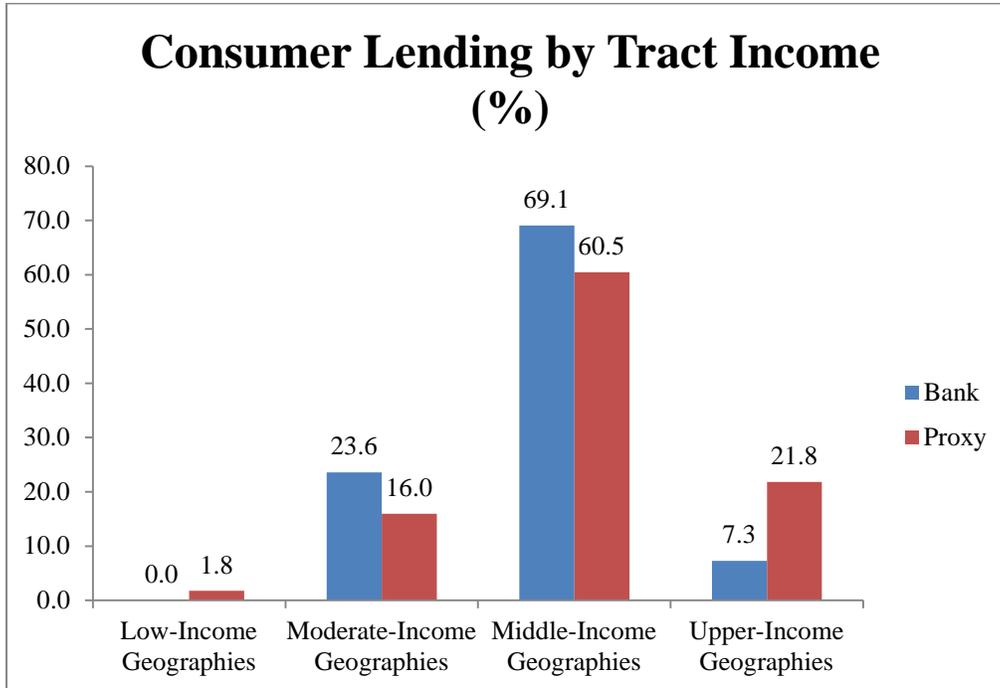
### ***Geographic Distribution of Lending***

The geographic distribution of loans is considered excellent.

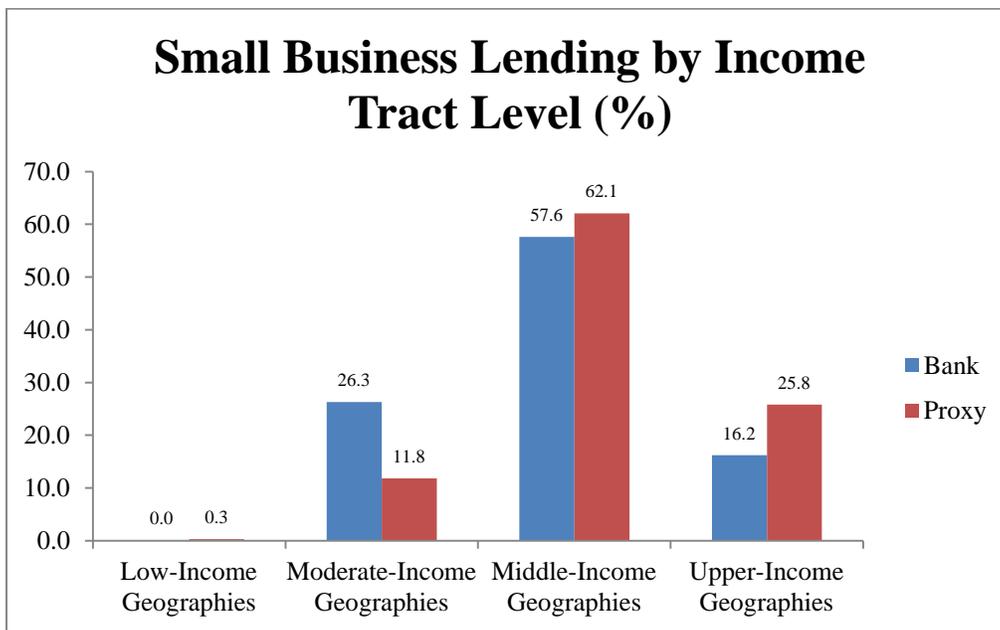
As shown in the graph below, PCB did not make any HMDA loans in the one low-income tract due to the fact that there are no owner-occupied housing units available. In addition, Kent State University is located in the low-income tract, which leads to a high student population that is generally not looking for housing-related loans. The bank made a higher percentage of HMDA loans in the moderate-income tract compared to the proxy. PCB made the same amount of HMDA loans in the middle-income tract and a smaller percentage than the proxy in the upper-income tract. Due to the presence of a university in the low-income tract and the bank’s performance in the moderate-income tract, the geographic distribution of HMDA loans is excellent.



As depicted in the following graph, the bank made a lower percentage of consumer loans in the low-income tract. PCB exceeded the proxy for consumer loans made in the moderate- and middle-income tracts. In the upper-income tract, the bank’s percentage of loans made was well below the proxy. The geographic distribution of consumer loans is excellent based on the bank’s performance in the moderate-income tract and the limited opportunities to lend in the low-income tract.



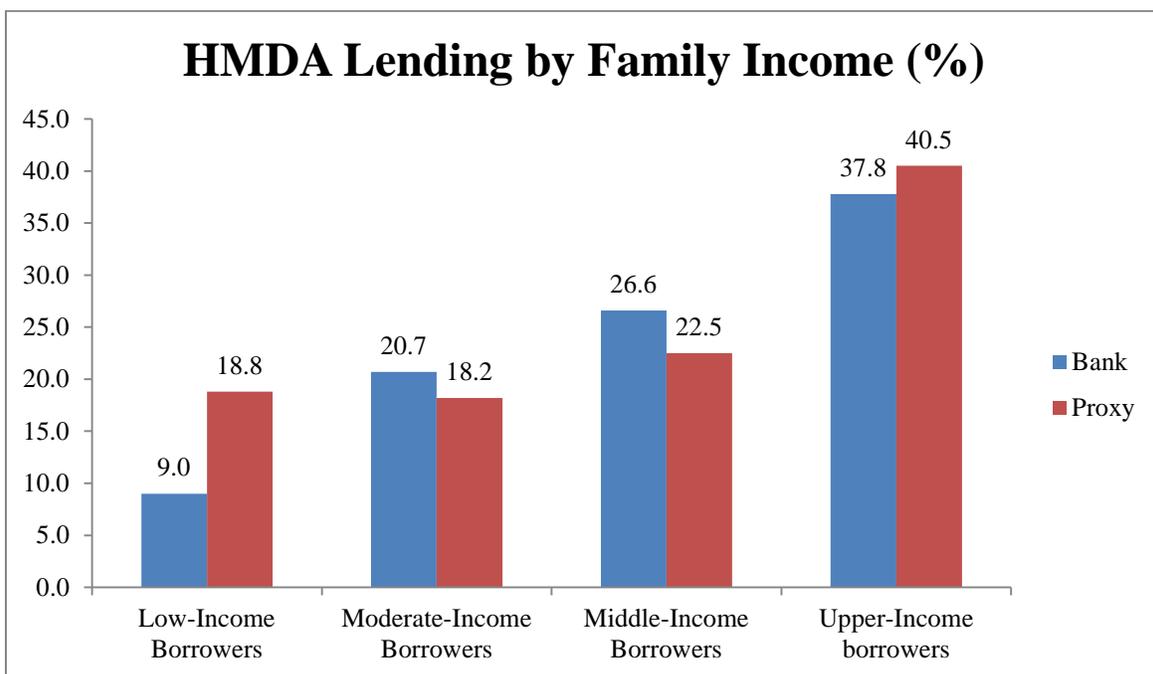
As depicted in the following graph, the bank made a lower percentage of small business loans than the proxy in the low-income tract. There is a large student presence in this tract, as well as a small percentage of businesses, thereby limiting credit needs within this tract. PCB exceeded the proxy for small business loans in the moderate-income tract. PCB was close to the proxy for small business loans in the middle-income tracts and below the proxy in the upper-income tracts. The geographic distribution of small business loans is excellent based on the bank's performance in the moderate-income tract and the limited opportunities to lend in the low-income tract.



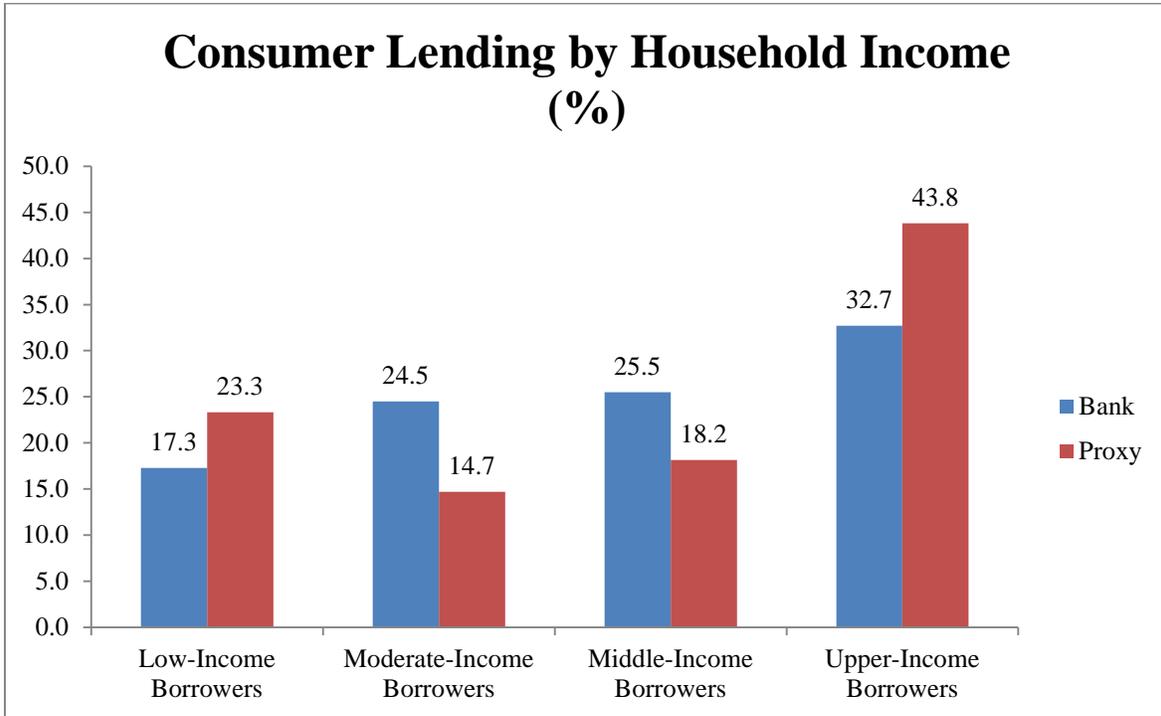
### *Borrower Distribution of Lending*

The borrower distribution in this assessment area is reasonable.

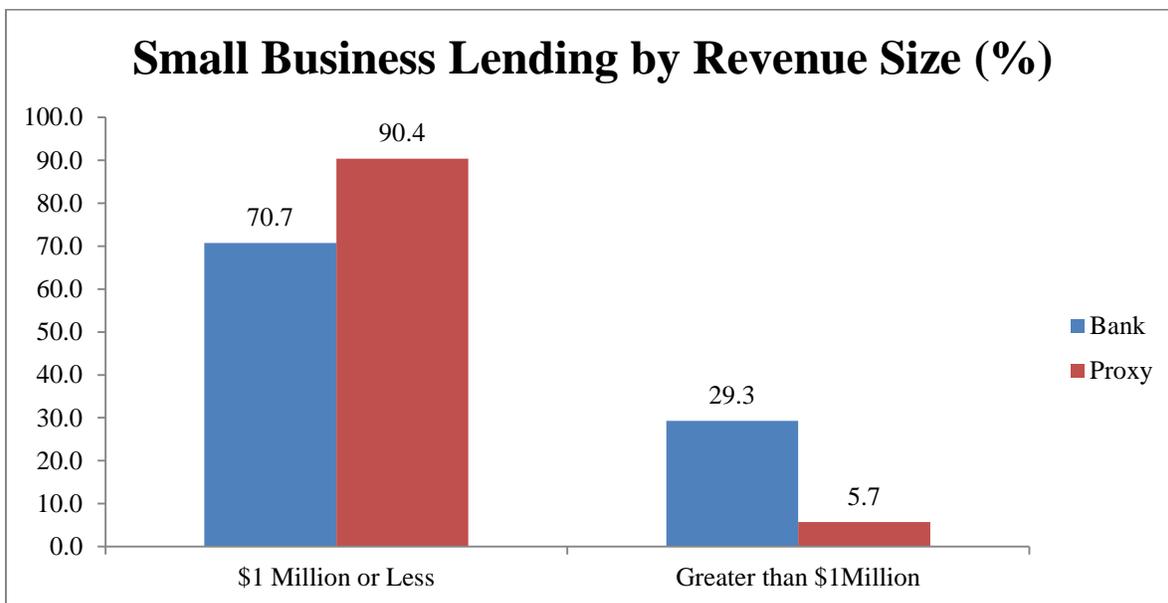
As shown in the graph below, PCB made a smaller percentage of HMDA loans than the proxy in the low-income tract, where 8.1% of families are below the poverty level. In addition, only 30.0% of affordable homes are available to low-income borrowers. The bank's HMDA lending was above the proxy in the moderate- and middle-income tracts and PCB's HMDA lending was slightly lower than the proxy in the upper-income tracts. Due to a higher poverty rate in the low-income tract, the low percentage of affordable homes available to low-income borrowers and the bank's performance in the moderate-income tract, the geographic distribution of HMDA loans is reasonable.

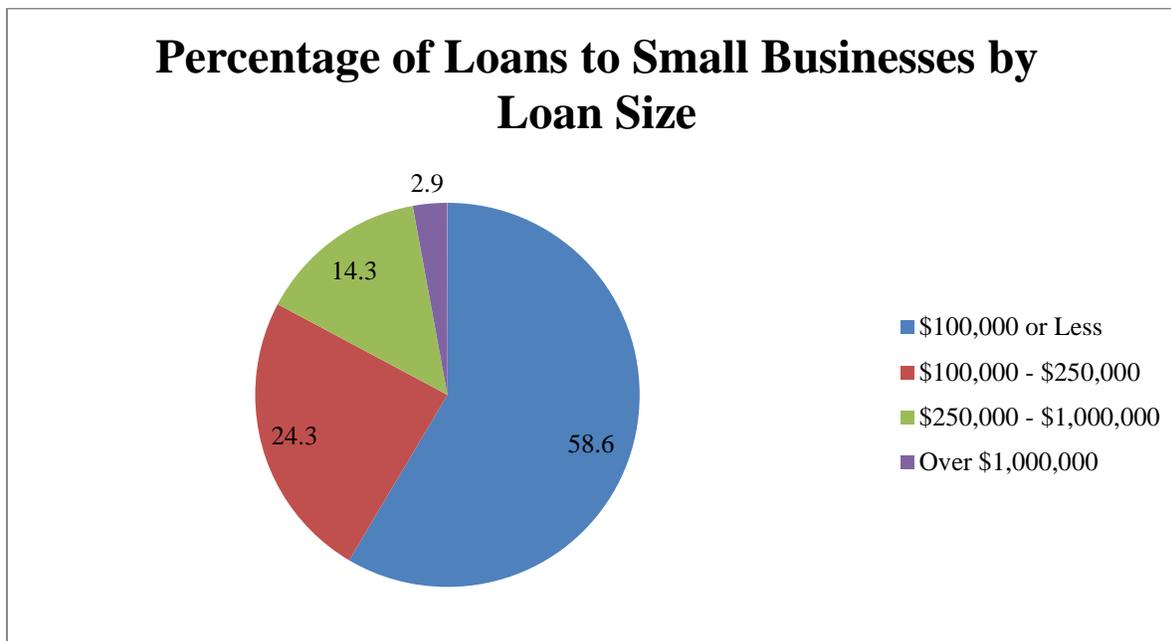


As depicted in the following graph, the bank made a slightly lower percentage of consumer loans to low-income borrowers compared to the proxy and a substantially higher percentage of loans to middle-income borrowers compared to the proxy. PCB also originated a higher percentage of loans to middle-income borrowers compared to the proxy; however, the percentage of loans to upper-income borrowers was less than the proxy. Therefore, the borrower distribution of consumer lending is considered reasonable.



As depicted in the following graph, the bank made a lower percentage of loans to businesses than the proxy (businesses with revenues of \$1 million or less). PCB originated a substantially higher percentage of loans to businesses with revenues over \$1 million. The second graph depicts that 58.6% of the bank's small business loans made were under \$100,000 and another 24.3% of small business loans were made between \$100,000 and \$250,000. In addition, PCB is a Small Business Administration (SBA) lender, which requires certain expertise to evaluate, underwrite, and close these loans. The geographic distribution of small business loans is reasonable.





#### *Response to Consumer Complaints*

The bank has not received any CRA-related consumer complaints since the previous examination.

#### *Consideration of Qualified Investments and Services*

The criteria for consideration of an overall outstanding CRA rating regarding the evaluation of qualified investments and services are:

- A bank's level and use of qualified investments to enhance performance; and,
- A bank's record of providing services and delivery systems to enhance credit availability or community development.

#### *Qualified Investments*

PCB has made several qualified community development investments since the previous evaluation totaling \$2.590 million. These investments are as follows:

- Tax anticipation notes for Ravenna City Schools to build a new building and renovate the existing stadium
- Multiple scholarships to graduating seniors at Ravenna High School

### *Services*

PCB has established good working relationships with public and private sector representatives to help identify opportunities for the bank to address community development needs. In addition, one of the bank's offices is located in a moderate-income tract, which helps serve the credit needs of that community.

Some of the bank's community development services include:

- Service on the Portage Private Industry Council's board. This organization administers education programs for Headstart and other learning initiatives for low- and moderate-income families and children.
- Several employees serve on the board for the local United Way that provides several services to low-and moderate-income individuals.
- Once a week the bank provides banking services for individuals at the Tower 43 Retirement Center. Tower 43 is HUD-subsidized for low- and moderate-income retirees.

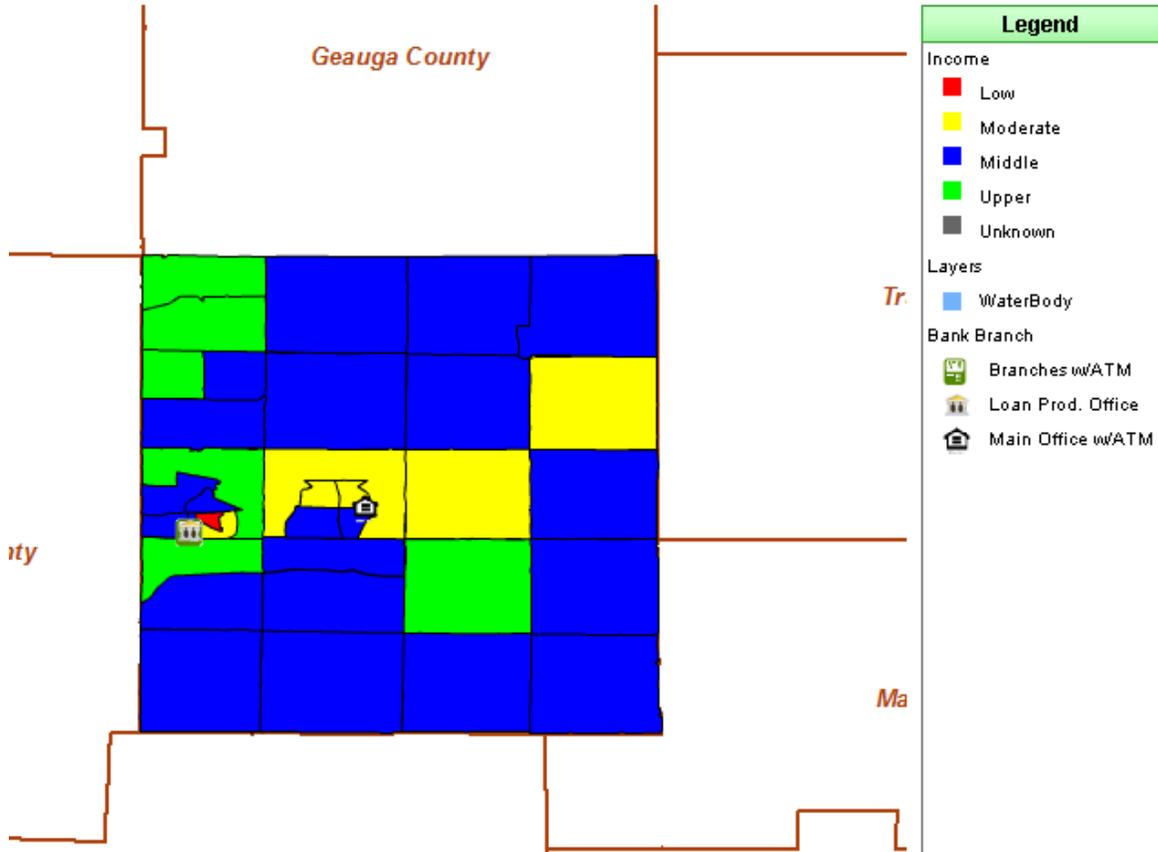
The record of investments and providing community development services within the community have contributed to the bank's overall rating

### **Fair Lending or Other Illegal Credit Practices Review**

No evidence of discriminatory or other illegal credit practices, inconsistent with helping meet the credit needs of the community, was noted during this evaluation.

APPENDIX A  
ASSESSMENT AREA MAP

Assessment Area: Portage County



**APPENDIX B**  
**LENDING TABLES**

**HMDA Loan Distribution Table**

Exam: Portage Community Bk, Ravenna

Assessment Area/Group :Portage Community Bank AA

| Income Categories  | HMDA                    |        |          |        |                    |        |          |        |
|--------------------|-------------------------|--------|----------|--------|--------------------|--------|----------|--------|
|                    | By Tract Income         |        |          |        | By Borrower Income |        |          |        |
|                    | #                       | %      | \$(000s) | %      | #                  | %      | \$(000s) | %      |
|                    | <b>Home Purchase</b>    |        |          |        |                    |        |          |        |
| Low                | 0                       | 0.0%   | 0        | 0.0%   | 10                 | 7.0%   | 751      | 3.9%   |
| Moderate           | 30                      | 21.1%  | 3,367    | 17.5%  | 25                 | 17.6%  | 2,256    | 11.7%  |
| Low/Moderate Total | 30                      | 21.1%  | 3,367    | 17.5%  | 35                 | 24.6%  | 3,007    | 15.6%  |
| Middle             | 85                      | 59.9%  | 11,262   | 58.5%  | 37                 | 26.1%  | 3,894    | 20.2%  |
| Upper              | 27                      | 19.0%  | 4,624    | 24.0%  | 59                 | 41.5%  | 9,658    | 50.2%  |
| Unknown            | 0                       | 0.0%   | 0        | 0.0%   | 11                 | 7.7%   | 2,694    | 14.0%  |
| Tract Unknown      | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Total              | 142                     | 100.0% | 19,253   | 100.0% | 142                | 100.0% | 19,253   | 100.0% |
|                    | <b>Refinance</b>        |        |          |        |                    |        |          |        |
| Low                | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Moderate           | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Low/Moderate Total | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Middle             | 1                       | 100.0% | 209      | 100.0% | 1                  | 100.0% | 209      | 100.0% |
| Upper              | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Unknown            | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Tract Unknown      | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Total              | 1                       | 100.0% | 209      | 100.0% | 1                  | 100.0% | 209      | 100.0% |
|                    | <b>Home Improvement</b> |        |          |        |                    |        |          |        |
| Low                | 0                       | 0.0%   | 0        | 0.0%   | 7                  | 15.6%  | 681      | 11.9%  |
| Moderate           | 6                       | 13.3%  | 626      | 11.0%  | 14                 | 31.1%  | 1,543    | 27.0%  |
| Low/Moderate Total | 6                       | 13.3%  | 626      | 11.0%  | 21                 | 46.7%  | 2,224    | 39.0%  |
| Middle             | 34                      | 75.6%  | 4,328    | 75.8%  | 12                 | 26.7%  | 1,759    | 30.8%  |
| Upper              | 5                       | 11.1%  | 754      | 13.2%  | 12                 | 26.7%  | 1,725    | 30.2%  |
| Unknown            | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Tract Unknown      | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Total              | 45                      | 100.0% | 5,708    | 100.0% | 45                 | 100.0% | 5,708    | 100.0% |
|                    | <b>Multi-Family</b>     |        |          |        |                    |        |          |        |
| Low                | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Moderate           | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Low/Moderate Total | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Middle             | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Upper              | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Unknown            | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Tract Unknown      | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Total              | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
|                    | <b>HMDA Totals</b>      |        |          |        |                    |        |          |        |
| Low                | 0                       | 0.0%   | 0        | 0.0%   | 17                 | 9.0%   | 1,432    | 5.7%   |
| Moderate           | 36                      | 19.1%  | 3,993    | 15.9%  | 39                 | 20.7%  | 3,799    | 15.1%  |
| Low/Moderate Total | 36                      | 19.1%  | 3,993    | 15.9%  | 56                 | 29.8%  | 5,231    | 20.8%  |
| Middle             | 120                     | 63.8%  | 15,799   | 62.8%  | 50                 | 26.6%  | 5,862    | 23.3%  |
| Upper              | 32                      | 17.0%  | 5,378    | 21.4%  | 71                 | 37.8%  | 11,383   | 45.2%  |
| Unknown            | 0                       | 0.0%   | 0        | 0.0%   | 11                 | 5.9%   | 2,694    | 10.7%  |
| Tract Unknown      | 0                       | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Total              | 188                     | 100.0% | 25,170   | 100.0% | 188                | 100.0% | 25,170   | 100.0% |

\*Information based on 2010 ACS data

**Consumer Loan Distribution Table**

Exam: Portage Community Bk, Ravenna

Assessment Area/Group :Portage Community Bank AA

|                    | CONSUMER LOANS              |        |          |        |                    |        |          |        |
|--------------------|-----------------------------|--------|----------|--------|--------------------|--------|----------|--------|
|                    | By Tract Income             |        |          |        | By Borrower Income |        |          |        |
|                    | #                           | %      | \$(000s) | %      | #                  | %      | \$(000s) | %      |
|                    | <b>Consumer Loans</b>       |        |          |        |                    |        |          |        |
| Low                | 0                           | 0.0%   | 0        | 0.0%   | 13                 | 26.5%  | 189      | 26.8%  |
| Moderate           | 12                          | 24.5%  | 211      | 29.8%  | 12                 | 24.5%  | 131      | 18.5%  |
| Low/Moderate Total | 12                          | 24.5%  | 211      | 29.8%  | 25                 | 51.0%  | 320      | 45.3%  |
| Middle             | 33                          | 67.3%  | 476      | 67.3%  | 10                 | 20.4%  | 166      | 23.5%  |
| Upper              | 4                           | 8.2%   | 21       | 2.9%   | 14                 | 28.6%  | 221      | 31.3%  |
| Unknown            | 0                           | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Tract Unknown      | 0                           | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Total              | 49                          | 100.0% | 708      | 100.0% | 49                 | 100.0% | 708      | 100.1% |
|                    | <b>Home Equity</b>          |        |          |        |                    |        |          |        |
| Low                | 0                           | 0.0%   | 0        | 0.0%   | 6                  | 9.8%   | 400      | 9.1%   |
| Moderate           | 14                          | 23.0%  | 658      | 15.0%  | 15                 | 24.6%  | 954      | 21.8%  |
| Low/Moderate Total | 14                          | 23.0%  | 658      | 15.0%  | 21                 | 34.4%  | 1,354    | 30.9%  |
| Middle             | 43                          | 70.5%  | 3,128    | 71.5%  | 18                 | 29.5%  | 945      | 21.6%  |
| Upper              | 4                           | 6.6%   | 589      | 13.5%  | 22                 | 36.1%  | 2,077    | 47.5%  |
| Unknown            | 0                           | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Tract Unknown      | 0                           | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Total              | 61                          | 100.0% | 4,376    | 100.0% | 61                 | 100.0% | 4,376    | 100.0% |
|                    | <b>Consumer Loan Totals</b> |        |          |        |                    |        |          |        |
| Low                | 0                           | 0.0%   | 0        | 0.0%   | 19                 | 17.3%  | 589      | 11.6%  |
| Moderate           | 26                          | 23.6%  | 869      | 17.1%  | 27                 | 24.5%  | 1,084    | 21.3%  |
| Low/Moderate Total | 26                          | 23.6%  | 869      | 17.1%  | 46                 | 41.8%  | 1,674    | 32.9%  |
| Middle             | 76                          | 69.1%  | 3,604    | 70.9%  | 28                 | 25.5%  | 1,111    | 21.9%  |
| Upper              | 8                           | 7.3%   | 610      | 12.0%  | 36                 | 32.7%  | 2,298    | 45.2%  |
| Unknown            | 0                           | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Tract Unknown      | 0                           | 0.0%   | 0        | 0.0%   | 0                  | 0.0%   | 0        | 0.0%   |
| Total              | 110                         | 100.0% | 5,083    | 100.0% | 110                | 100.0% | 5,083    | 100.0% |

**CRA Loan Distribution Table**

Exam: Portage Community Bk, Ravenna

Assessment Area/Group: Portage Community Bank AA

| Income Categories                                   | SMALL BUSINESS |        |          |        | SMALL FARM |      |          |      |
|---|----------------|--------|----------|--------|------------|------|----------|------|
|   | #              | %      | \$(000s) | %      | #          | %    | \$(000s) | %    |
| <b>By Tract Income</b>                              |                |        |          |        |            |      |          |      |
| Low   | 0              | 0.0%   | 0        | 0.0%   | 0          | 0.0% | 0        | 0.0% |
| Moderate  | 26             | 26.3%  | 9,078    | 32.9%  | 0          | 0.0% | 0        | 0.0% |
| Low/Moderate Total                                  | 26             | 26.3%  | 9,078    | 32.9%  | 0          | 0.0% | 0        | 0.0% |
| Middle  | 57             | 57.6%  | 12,332   | 44.7%  | 0          | 0.0% | 0        | 0.0% |
| Upper   | 16             | 16.2%  | 6,164    | 22.4%  | 0          | 0.0% | 0        | 0.0% |
| Unknown   | 0              | 0.0%   | 0        | 0.0%   | 0          | 0.0% | 0        | 0.0% |
| Tract Unknown                                       | 0              | 0.0%   | 0        | 0.0%   | 0          | 0.0% | 0        | 0.0% |
| Total   | 99             | 100.0% | 27,573   | 100.0% | 0          | 0.0% | 0        | 0.0% |
| <b>By Revenue</b>                                   |                |        |          |        |            |      |          |      |
| Total \$1 Million or Less                           | 70             | 70.7%  | 13,680   | 49.6%  | 0          | 0.0% | 0        | 0.0% |
| Over \$1 Million                                    | 29             | 29.3%  | 13,893   | 50.4%  | 0          | 0.0% | 0        | 0.0% |
| Not Known   | 0              | 0.0%   | 0        | 0.0%   | 0          | 0.0% | 0        | 0.0% |
| Total   | 99             | 100.0% | 27,573   | 100.0% | 0          | 0.0% | 0        | 0.0% |
| <b>By Loan Size</b>                                 |                |        |          |        |            |      |          |      |
| \$100,000 or less                                   | 47             | 47.5%  | 2,200    | 8.0%   | 0          | 0.0% | 0        | 0.0% |
| \$100,001 - \$250,000                               | 21             | 21.2%  | 3,527    | 12.8%  | 0          | 0.0% | 0        | 0.0% |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm)         | 25             | 25.3%  | 11,169   | 40.5%  | 0          | 0.0% | 0        | 0.0% |
| Over \$1 Million (Bus)-\$500k (Farm)                | 6              | 6.1%   | 10,677   | 38.7%  | 0          | 0.0% | 0        | 0.0% |
| Total   | 99             | 100.0% | 27,573   | 100.0% | 0          | 0.0% | 0        | 0.0% |
| <b>By Loan Size and Revenue \$1 Million or Less</b> |                |        |          |        |            |      |          |      |
| \$100,000 or less                                   | 41             | 58.6%  | 1,862    | 13.6%  | 0          | 0.0% | 0        | 0.0% |
| \$100,001 - \$250,000                               | 17             | 24.3%  | 2,823    | 20.6%  | 0          | 0.0% | 0        | 0.0% |
| \$250,001 - \$1 Million (Bus)-\$500k (Farm)         | 10             | 14.3%  | 4,335    | 31.7%  | 0          | 0.0% | 0        | 0.0% |
| Over \$1 Million (Bus)-\$500k (Farm)                | 2              | 2.9%   | 4,660    | 34.1%  | 0          | 0.0% | 0        | 0.0% |
| Total   | 70             | 100.0% | 13,680   | 100.0% | 0          | 0.0% | 0        | 0.0% |

\*Information based on 2010 ACS data

| Tract Income Levels | BRANCHES       |          |               |          |            |                |               |               | DEMOGRAPHICS |            |                  |        |        |
|---------------------|----------------|----------|---------------|----------|------------|----------------|---------------|---------------|--------------|------------|------------------|--------|--------|
|                     | Total Branches |          | Open          | Closed*  | Drive Thru | Extended Hours | Weekend Hours | Census Tracts |              | Households | Total Businesses |        |        |
|                     | #              | %        | #             | #        | #          | #              | #             | #             | %            | %          | %                |        |        |
| Low                 | <b>Total</b>   | <b>0</b> | <b>0.0%</b>   | <b>0</b> | <b>0</b>   | <b>0</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>     | 1          | 2.9%             | 1.8%   | 0.3%   |
|                     | DTO            | 0        |               | 0        | 0          | 0              |               |               |              |            |                  |        |        |
|                     | LS             | 0        |               | 0        | 0          |                |               |               |              |            |                  |        |        |
| Moderate            | <b>Total</b>   | <b>1</b> | <b>50.0%</b>  | <b>0</b> | <b>0</b>   | <b>0</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>     | 6          | 17.1%            | 16.0%  | 11.8%  |
|                     | DTO            | 0        |               | 0        | 0          | 0              |               |               |              |            |                  |        |        |
|                     | LS             | 0        |               | 0        | 0          |                |               |               |              |            |                  |        |        |
| Middle              | <b>Total</b>   | <b>1</b> | <b>50.0%</b>  | <b>0</b> | <b>0</b>   | <b>0</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>     | 22         | 62.9%            | 60.5%  | 62.1%  |
|                     | DTO            | 0        |               | 0        | 0          | 0              |               |               |              |            |                  |        |        |
|                     | LS             | 0        |               | 0        | 0          |                |               |               |              |            |                  |        |        |
| Upper               | <b>Total</b>   | <b>0</b> | <b>0.0%</b>   | <b>0</b> | <b>0</b>   | <b>0</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>     | 6          | 17.1%            | 21.8%  | 25.8%  |
|                     | DTO            | 0        |               | 0        | 0          | 0              |               |               |              |            |                  |        |        |
|                     | LS             | 0        |               | 0        | 0          |                |               |               |              |            |                  |        |        |
| Unknown             | <b>Total</b>   | <b>0</b> | <b>0.0%</b>   | <b>0</b> | <b>0</b>   | <b>0</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>     | 0          | 0.0%             | 0.0%   | 0.0%   |
|                     | DTO            | 0        |               | 0        | 0          | 0              |               |               |              |            |                  |        |        |
|                     | LS             | 0        |               | 0        | 0          |                |               |               |              |            |                  |        |        |
| <i>Totals</i>       | <b>Total</b>   | <b>2</b> | <b>100.0%</b> | <b>0</b> | <b>0</b>   | <b>0</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>     | 35         | 100.0%           | 100.0% | 100.0% |
|                     | DTO            | 0        |               | 0        | 0          | 0              |               |               |              |            |                  |        |        |
|                     | LS             | 0        |               | 0        | 0          |                |               |               |              |            |                  |        |        |

DTO - Drive Thru Only

LS - Limited Service

Shaded rows indicate totals; unshaded rows are a subset of shaded rows

\*Closed branches are only included in the "Closed" columns and are not included in any other totals

| Tract Income Levels | ATMS         |          |               |          |               |            |           |          |             |            | DEMOGRAPHICS  |    |            |                  |        |
|---------------------|--------------|----------|---------------|----------|---------------|------------|-----------|----------|-------------|------------|---------------|----|------------|------------------|--------|
|                     | Total ATMS   |          | Full Service  |          |               |            | Cash Only |          |             |            | Census Tracts |    | Households | Total Businesses |        |
|                     | #            | %        | #             | %        | Added #       | Deducted # | #         | %        | Added #     | Deducted # | #             | %  | %          | %                |        |
| Low                 | <b>Total</b> | <b>0</b> | <b>0.0%</b>   | <b>0</b> | <b>0.0%</b>   | <b>0</b>   | <b>0</b>  | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0</b>      | 1  | 2.9%       | 1.8%             | 0.3%   |
|                     | Stand Alone  | 0        |               | 0        |               | 0          | 0         | 0        |             | 0          | 0             |    |            |                  |        |
| Moderate            | <b>Total</b> | <b>1</b> | <b>50.0%</b>  | <b>1</b> | <b>50.0%</b>  | <b>0</b>   | <b>0</b>  | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0</b>      | 6  | 17.1%      | 16.0%            | 11.8%  |
|                     | Stand Alone  | 0        |               | 0        |               | 0          | 0         | 0        |             | 0          | 0             |    |            |                  |        |
| Middle              | <b>Total</b> | <b>1</b> | <b>50.0%</b>  | <b>1</b> | <b>50.0%</b>  | <b>0</b>   | <b>0</b>  | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0</b>      | 22 | 62.9%      | 60.5%            | 62.1%  |
|                     | Stand Alone  | 0        |               | 0        |               | 0          | 0         | 0        |             | 0          | 0             |    |            |                  |        |
| Upper               | <b>Total</b> | <b>0</b> | <b>0.0%</b>   | <b>0</b> | <b>0.0%</b>   | <b>0</b>   | <b>0</b>  | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0</b>      | 6  | 17.1%      | 21.8%            | 25.8%  |
|                     | Stand Alone  | 0        |               | 0        |               | 0          | 0         | 0        |             | 0          | 0             |    |            |                  |        |
| Unknown             | <b>Total</b> | <b>0</b> | <b>0.0%</b>   | <b>0</b> | <b>0.0%</b>   | <b>0</b>   | <b>0</b>  | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0</b>      | 0  | 0.0%       | 0.0%             | 0.0%   |
|                     | Stand Alone  | 0        |               | 0        |               | 0          | 0         | 0        |             | 0          | 0             |    |            |                  |        |
| <i>Totals</i>       | <b>Total</b> | <b>2</b> | <b>100.0%</b> | <b>2</b> | <b>100.0%</b> | <b>0</b>   | <b>0</b>  | <b>0</b> | <b>0.0%</b> | <b>0</b>   | <b>0</b>      | 35 | 100.0%     | 100.0%           | 100.0% |
|                     | Stand Alone  | 0        |               | 0        |               | 0          | 0         | 0        |             | 0          | 0             |    |            |                  |        |

Shaded rows indicate totals; unshaded rows are a subset of shaded rows

## APPENDIX C

### GLOSSARY OF TERMS

**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.