

PUBLIC DISCLOSURE

June 6, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The North Side Bank and Trust Company
RSSD# 615217

4125 Hamilton Avenue
Cincinnati, OH 45223

Federal Reserve Bank of Cleveland

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING: This institution is rated: Satisfactory
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

The major factors and criteria contribution to this rating include:

- The loan-to-deposit ratio is more-than-reasonable given the institution's size, financial condition, and assessment area credit needs;
- A majority of loans and other lending-related activities are inside the assessment area;
- The geographic distribution of loans reflects a reasonable 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) and businesses of different revenue sizes;
- There were no CRA-related complaints filed against the bank since the previous CRA examination; and,
- There was 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 in the bank's assessment area.

The previous CRA examination conducted May 13, 2013 resulted in a "Satisfactory" performance rating.

SCOPE OF EXAMINATION

The North Side Bank and Trust Company’s (North Side) Community Reinvestment Act (CRA) performance was evaluated using the interagency intermediate small bank examination procedures under Regulation BB.

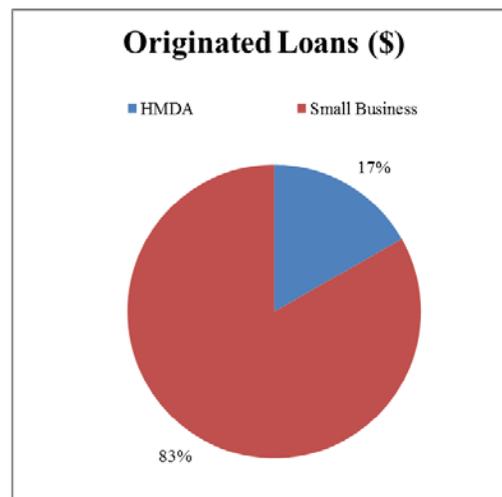
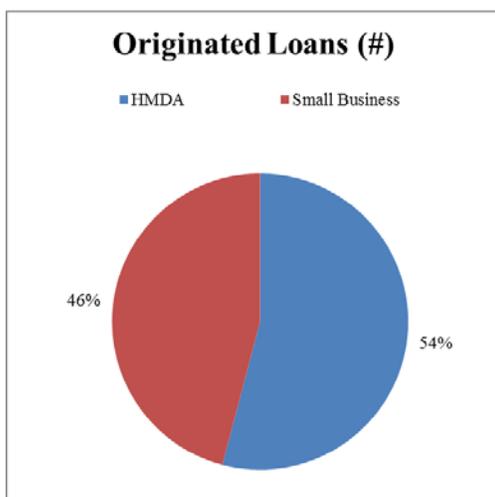
North Side’s CRA performance was evaluated based on lending data for the period of January 1, 2015 to December 31, 2015. The products evaluated included loans reported under the Home Mortgage Disclosure Act (HMDA) and small business loans. HMDA loans are comprised of home purchase, refinance, and home improvement loans. These loans were combined for this review due to a lack of volume of each individual loan type. Small business loans are comprised of loans secured and not secured by real estate.

Community development activities for the period between May 13, 2013 and June 6, 2016 were included in this evaluation. Specifically reviewed were community development loans, investments, and services that occurred since the previous examination.

Three interviews were conducted with community representatives to provide some context on the credit needs of North Side’s assessment area. 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 within North Side’s assessment area during the evaluation period.

Loan Type	Number of Loans	Dollar Amount of Loans (000s)
HMDA	112	10,482
Small Business	95	51,930
Total	207	62,412



Based on the total loan volume by number and the composition of the loan portfolio, HMDA loans received the most weight, followed by small business loans.

For the purpose of this evaluation, geographic distribution was weighted equally compared to North Side's borrower distribution, primarily because its assessment area is diverse.

In some cases, information for originated loans could not be provided by the bank. Therefore, the loan volumes used for borrower distribution are based on a sample of originated loans and are lower than the number of originated loans listed above.

DESCRIPTION OF INSTITUTION

North Side is an independently owned community bank located in Cincinnati, Ohio. As of March 31, 2016, North Side reported \$527 million in total assets, which is an increase of 6.5% since the previous CRA evaluation (which used March 31, 2013 financial data).

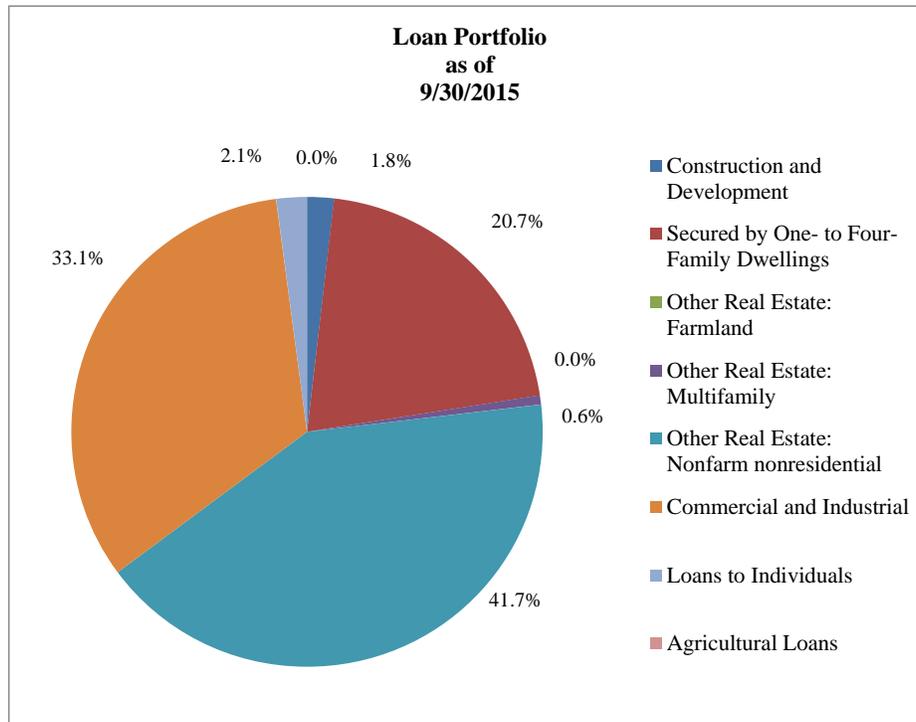
North Side's main office is located in a business district of the Northside neighborhood in Cincinnati, Ohio. The bank operates seven branch offices and eight full-service cash-dispensing ATMs throughout the assessment area. North Side is a full-service retail bank offering deposit accounts and residential mortgage, consumer, commercial, and agricultural loans. The branch offices are located in the neighborhoods of Finneytown, Colerain, Blue Ash, Delhi, West Chester, Springdale, and Hyde Park. In addition, most offices are located within Hamilton County, with the exception of the West Chester office located in Butler County, which is adjacent to Hamilton County. Since the previous evaluation, North Side has opened two branch offices and ATMs, while closing one branch office and ATM in Delhi.

As of March 31, 2016, net loans and leases represent \$372 million, which is 70.7% of total assets. Net loans and leases increased by 7.8% since the previous CRA evaluation.

The following table and charts illustrate the volume and distribution of loans originated within North Side's assessment area during the evaluation period. The bank's loan portfolio composition has remained relatively stable over the past three years with consistent growth.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	12/31/2015		12/31/2014		12/31/2013	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	6,708	1.8%	8,457	2.4%	10,005	2.9%
Secured by One- to Four- Family Dwellin	75,288	20.7%	72,888	21.0%	68,223	19.8%
Other Real Estate: Farmland	0	0.0%	0	0.0%	0	0.0%
Other Real Estate: Multifamily	2,297	0.6%	2,310	0.7%	2,464	0.7%
Other Real Estate: Nonfarm nonresident	151,800	41.7%	142,114	40.9%	145,266	42.1%
Commercial and Industrial	120,574	33.1%	113,925	32.8%	111,917	32.4%
Loans to Individuals	7,631	2.1%	7,393	2.1%	7,454	2.2%
Agricultural Loans	0	0.0%	0	0.0%	0	0.0%
Total	\$364,298	100.00%	\$347,087	100.00%	\$345,329	100.00%

* 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.



North Side's investment portfolio as of March 31, 2016 was \$130 million, which represented 24.7% of total assets. Investments in U.S. Treasuries and Agencies account for 67.3% of investments, while municipal securities and bank balances and federal funds sold comprise 5.4% and 27.4% of investments, respectively.

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

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

North Side has one delineated assessment area consisting of the entirety of Hamilton County (222 census tracts) and portions of Butler County (46 census tracts). Hamilton and Butler Counties are included in the Cincinnati-Middletown metropolitan statistical area, which 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 assessment area consists of 268 census tracts, of which 43 are low- (16.0%), 68 are moderate- (25.4%), 87 are middle- (32.5%), and 70 are upper-income (26.1%). Since the previous examination, North Side has not changed its assessment area.

According to the U.S. Census Bureau's annual estimates of population change for metropolitan statistical areas and rankings, the Cincinnati-Middletown MSA is the largest metropolitan area in Ohio. The Cincinnati-Middletown MSA is the nation's 28th 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.

According to 2010 estimates, the MSA's population totals 2.1 million residents, of which 802,374 (37.92%) reside in Hamilton County, making it the largest county 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 2010 data, Cincinnati has approximately 296,943 residents, which represents about 37.0% of the county's total population. The Cincinnati-Middletown MSA experienced growth from June 1, 2014 to July, 1 2015 at 0.4%¹ and is currently ranked as the nation's 65th largest city.

There is significant banking competition within North Side's assessment area. As of June 30, 2015, the Federal Deposit Insurance Corporation (FDIC) reported 412 insured financial institutions operating within Hamilton and Butler counties. The FDIC's market share report indicates that North Side ranked eleventh, holding 0.5% of the market share of deposits.² The following table illustrates the deposit market share for the top ten financial institutions in the assessment area.

¹ <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

² <http://www2.fdic.gov/sod/sodMarketBank.asp>

#	Financial Institution	Deposit Market Share
1	U.S. Bank National Association	48.5%
2	Fifth Third Bank	32.8%
3	PNC Bank, National Association	6.7%
4	The Huntington National Bank	2.3%
5	First Financial Bank, National Association	2.0%
6	JPMorgan Chase Bank, National Association	1.7%
7	Union Savings Bank	1.2%
8	KeyBank National Association	0.8%
9	Cheviot Savings Bank	0.6%
10	Guardian Savings Bank, A Federal Savings Bank	0.6%
11	The North Side Bank and Trust Company	0.5%

Community Contacts

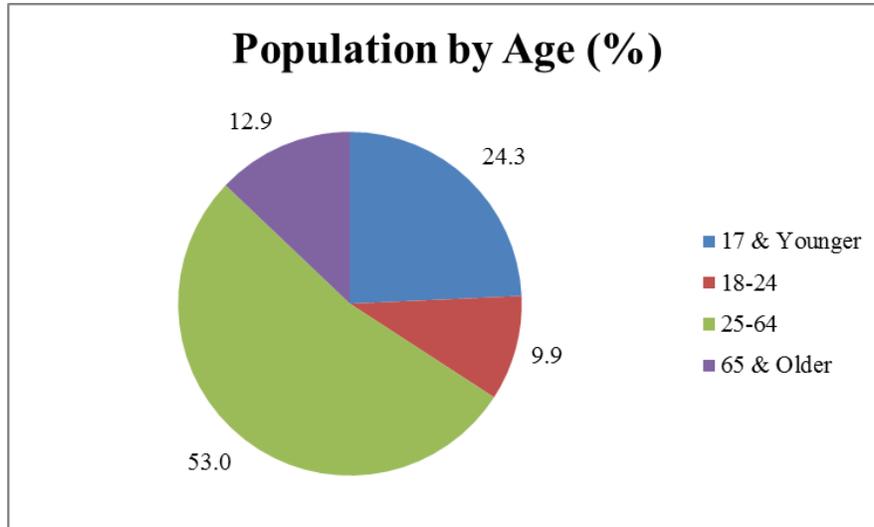
Three community contact interviews were conducted in the bank’s assessment area during the examination to provide additional information regarding the credit needs and context to demographic and economic conditions of the local community. One interview was with a community development corporation in Hamilton County that serves low- and moderate-income individuals. According to the contact, there are many opportunities for improvement in low-income housing, employment opportunities, and banking facilities. The contact indicated that institutions are showing interest in opening additional branches in the low-income areas served.

Another interview was with a community development corporation that serves the greater Cincinnati, OH area by supporting various development projects for low- and moderate-income individuals around the area. The contact indicated that there is always a need for community projects and other funding and specifically mentioned North Side’s community development activity and efforts for helping out with local projects supporting low- and moderate-income individuals. The contact also mentioned North Side’s continuous involvement in the community and overall positive reputation in the community.

Another interview was with the community development association that serves the greater Cincinnati, OH MSA supporting community development corporations across the area. North Side was once again mentioned for its significant efforts and active support in the community by finding ways to fund various community projects.

Population Characteristics

According to the 2010 U.S. Census Bureau data, the total population in the assessment area was 1,037,327. 32.9% of the population resides in low- and moderate-income tracts. In addition, 75.7% of the population is 18 years of age or older, the legal age to enter into a contract. The following chart provides further breakdown of the population by age.



According to the U.S. Census Bureau Report, the estimated population in Hamilton County as of 2014 was 806,631, an increase of 0.5% since 2010. The estimated population in Butler County as of 2014 was 368,130, an increase of 1.6% since 2010.

County	2010 Population	2014 Population	Population Percent Change
Hamilton	802,374	806,631	0.5%
Butler	368,130	374,158	1.6%
Total	1,170,504	1,180,789	

Income Characteristics

According to data from the United States Department of Housing and Urban Development (HUD), the 2010 median family income levels for Hamilton and Butler Counties were \$64,683 and 68,539, respectively. The 2015 estimated median family income level is detailed in the following table.³

Borrower Income Levels Cincinnati, Ohio - MSA

HUD Estimated Median Family Income		Low	Moderate	Middle	Upper
		0 - 49.99%	50% - 79.99%	80% - 119.99%	120% - & above
2015	\$72,400	0 - \$36,199	\$36,200 - \$57,919	\$57,920 - \$86,879	\$86,880 - & above

The assessment area contains 413,973 households, of which 257,316 or 62.2% are designated as families. Low- and moderate-income families represent 22.6% and 16.8% of all families in this assessment area, respectively, with 10.3% of families below the poverty level, compared to Ohio's similar rate of 10.3%.

³ <http://www.huduser.org/portal/datasets/il/il13/index.html>

According to the 2015 data from the Economic Research Service of the United States Department of Agriculture (USDA), household poverty rates for Hamilton and Butler Counties were as follows:

County	1999 Poverty Rate	2015 Poverty Rate	Change
Hamilton	11.80%	17.60%	49.15%
Butler	8.70%	14.40%	65.52%
Ohio	10.60%	15.80%	49.06%
United States	12.40%	15.50%	25.00%

About 17.6% of Hamilton County’s population was in poverty, which was higher than the poverty rate of 11.8% in 1999. This relatively high poverty rate could indicate that individuals, especially those that are low- or moderate-income, may have difficulty in having enough financial resources to obtain loans. Based on this data, the poverty rate for Hamilton County is higher compared to the state and national averages, but lower for Butler County. The percentage of change in the poverty rate for Hamilton County exceeded that of the state and nation and the percentage of change in the poverty rate for Butler County significantly exceeded that of the state and nation.

Labor, Employment and Economic Characteristics

The following table illustrates land use for each county in the assessment area:⁴

County	Urban	Cropland	Pasture	Forest	Open Water	Bare Mines	Wetlands
Hamilton	41.01%	10.25%	1.15%	45.70%	1.33%	0.56%	0.00%
Butler	12.77%	51.45%	11.30%	23.24%	0.88%	0.36%	0.00%

As indicated above, Hamilton County is mostly urban, while Butler County is mostly cropland.

The following table shows the five primary employment sectors (by number of persons employed in the county) and ten major employers for each of the counties in the assessment area.⁵

County	Primary Employment Sectors	Major Employers
Hamilton	Professional and Business Service; Education and Health Services; Trade, Transportation and Utilities; Leisure and Hospitality; Manufacturing;	American Financial Group Inc; Cincinnati Children’s Hospital; Fifth Third Bancorp; Ford Motor Co; General Electric Co; Johnson & Johnson/Ethicon; Kroger Co; Macy’s Inc; Mercy Health Partners; Procter & Gamble Co; TriHealth Inc; University of Cincinnati;
Butler	Trade, Transportation and Utilities; Manufacturing; Education and Health Services; Leisure and Hospitality; Professional and Business Services;	AK Steel Holding Corp; Cincinnati Financial Corp; Cornerstone Brands Inc; Ft Hamilton Memorial Hospital; GE Aviation; Lakota Local Schools; Liberty Mutual/Ohio Casualty Corp; Mercy Regional Hospital; Miami University; Middletown Regional Health System; Miller Coors; Pierre Foods;

⁴ http://www.development.ohio.gov/reports/reports_countytrends_map.htm

⁵ http://www.development.ohio.gov/reports/reports_countytrends_map.htm

According to 2010 Dun and Bradstreet data, there are 48,966 businesses in the assessment area. The majority of the businesses at 89.8% have annual revenues of less than \$1 million, although it should be noted that businesses with unknown revenues were removed.

The following table shows the 2014 and 2015 average annual unemployment rate for Hamilton and Butler Counties and Ohio.

**Unemployment Rates
North Side Bank and Trust Co**

Area	Years - Annualized	
	2014	2015
Butler Co.	4.3	4.2 (P)
Hamilton Co.	4.3	4.1 (P)
Cincinnati, OH MSA	4.3	4.3 (P)
Ohio	4.7	4.6 (P)
National	5.4	4.8 (P1)

Not Seasonally Adjusted

P: Preliminary as of December 2015

P1: Preliminary as of December 2015

The unemployment rate for both Hamilton and Butler Counties was lower than Ohio for both years. Ohio and Hamilton and Butler County all experienced declines in the rate between the two years, with the counties' increase being slightly lower than the overall state's rate.

Housing Characteristics

There were 471,925 housing units in the assessment area, based on the 2010 U.S. Census. Within the assessment area, 55.7% of the units were owner-occupied, 32.0% were rental units, and 12.3% were vacant. The owner-occupancy rate is lower than Ohio's rate, where 61.7% of the units were owner-occupied. These housing units include 77.1% single-family, 1.2% mobile homes, and 21.7% multi-family homes. The income tract distribution of housing is 12.2% low-, 25.2% moderate-, 34.5% middle-, and 28.1% upper-income. These numbers indicate that most of the demand for home mortgage lending would be in middle- and upper-income tracts.

According to the U.S. Census data, the median age of the housing stock in the assessment area was 49 years, with 32.0% of the stock built before 1950. In comparison, the median statewide age is 44 years. The oldest housing stock was in Hamilton County with a median age of 52 years, while the newest in Butler County was 34 years. However, within the assessment area, the median age of housing stock was 61 years in low- and 58 years in moderate-income tracts; therefore, it appears there could be a significant need for home improvement and rehabilitation loans in these lower-income areas.

The median housing value in the assessment area is 153,881, with an affordability ratio of 32.9%. The higher the affordability ratio, the more affordable a home is considered. The housing affordability ratio is calculated by dividing the median household income by the median housing value. The affordability ratio for housing stock in the assessment area at 32.9% was less

affordable than in Ohio at 34.7%. Furthermore, based on the 2010 median family income of \$67,016 for the Cincinnati, OH MSA, approximately 48.7% of the homes valued up to \$122,826 in the assessment area would be considered affordable for low-income individuals and 79.16% of the homes valued up to \$196,522 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 4.0% fixed, 30-year loan.

According to RealtyTrac,⁶ one in every 730 properties in Hamilton County was in foreclosure in May 2016. This was higher than Ohio's ratio of one in every 975 properties.

Geography Name	Ratio of Properties Receiving Foreclosure Filings in (May 2016)
Hamilton County	1:730
Butler Ohio	1:1,409
Ohio	1:975
United States	1:1,310

According to Sperling's Best Places,⁷ the following table depicts the median home cost, housing appreciation in the prior year, and cost of living for all counties in North Side's assessment area. The cost of living in Hamilton and Butler Counties is lower than the national average cost of living; however, the cost of living in Hamilton County is less than Ohio, whereas the cost of living in Butler County is more comparable to Ohio.

County	Median Home Cost	Housing Appreciation	Cost of Living
Hamilton	\$113,300	7.4%	12.4
Butler	\$130,800	7.3%	9.5
Ohio	\$112,400	0.5%	11.8

The median gross rent in the assessment area was \$678, with 51.5% of the rents under \$700 per month, according to the 2010 U.S. Census. The median gross rent in the assessment area was the same as Ohio at \$678.

The following table further illustrates the demographics of North Side's assessment area.

⁶ www.realtytrac.com

⁷ <http://bestplaces.net>

Combined Demographics Report

Assessment Area(s): North Side 2015

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	43	16	20,886	8.1	8,696	41.6	58,181	22.6
Moderate-income	68	25.4	53,798	20.9	9,034	16.8	43,260	16.8
Middle-income	87	32.5	92,466	35.9	6,451	7	51,232	19.9
Upper-income	70	26.1	90,166	35	2,298	2.5	104,643	40.7
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	268	100.0	257,316	100.0	26,479	10.3	257,316	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	57,643	10,976	4.2	19	29,636	51.4	17,031	29.5
Moderate-income	118,721	48,432	18.4	40.8	51,655	43.5	18,634	15.7
Middle-income	162,810	100,206	38.1	61.5	48,788	30	13,816	8.5
Upper-income	132,751	103,167	39.3	77.7	21,113	15.9	8,471	6.4
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	471,925	262,781	100.0	55.7	151,192	32.0	57,952	12.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	4,031	8.2	3,359	7.7	656	13.2	16	10.1
Moderate-income	11,182	22.8	9,665	22.1	1,479	29.7	38	23.9
Middle-income	16,021	32.7	14,398	32.8	1,566	31.5	57	35.8
Upper-income	17,732	36.2	16,409	37.4	1,275	25.6	48	30.2
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	48,966	100.0	43,831	100.0	4,976	100.0	159	100.0
Percentage of Total Businesses:				89.5		10.2		.3
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	11	3.9	9	3.2	2	33.3	0	0
Moderate-income	35	12.3	35	12.5	0	0	0	0
Middle-income	98	34.4	97	34.8	1	16.7	0	0
Upper-income	141	49.5	138	49.5	3	50	0	0
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	285	100.0	279	100.0	6	100.0	0	.0
Percentage of Total Farms:				97.9		2.1		.0

2015 FFIEC Census Data and 2015 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

North Side’s overall performance under the lending test is considered satisfactory. The loan-to-deposit ratio is more-than-reasonable. The bank made a majority of its loans inside its assessment area. The geographic and borrower distribution of lending are reasonable.

Details of the bank’s HMDA and small business lending can be found in the tables in Appendix B.

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.

The following table shows North Side’s quarterly LTD ratios for 12 quarters since the previous evaluation, along with the average LTD for the same period.

North Side B&TC Loan-to-Deposit Ratios					
AS OF DATE	NORTH SIDE B&TC	CHEVIOT SVG BK	GUARDIAN SVG BK FSB	HARRISON B&LA	CUSTOM PEER
December 31, 2015	89.49	80.68	89.29	61.25	77.07
September 30, 2015	90.52	77.60	86.04	60.44	74.69
June 30, 2015	94.14	76.36	93.55	61.48	77.13
March 31, 2015	90.09	72.36	94.83	56.14	74.44
December 31, 2014	90.14	72.42	87.73	58.26	72.80
September 30, 2014	88.93	71.78	80.67	56.55	69.67
June 30, 2014	92.59	69.10	80.03	49.38	66.17
March 31, 2014	90.55	69.33	71.33	49.27	63.31
December 31, 2013	87.75	70.00	69.45	49.87	63.11
September 30, 2013	87.69	70.03	69.74	49.69	63.15
June 30, 2013	93.60	68.60	77.06	49.13	64.93
March 31, 2013	91.12	66.26	84.58	50.36	67.07
Quarterly Loan-to-Deposit Ratio Average Since the Previous Evaluation	90.55	72.04	82.03	54.32	69.46

The bank has averaged an LTD ratio of 90.55% over the past 12 quarters of operation and is above the custom peer group average ratio of 69.46%. The LTD is consistent and significantly outperforms the custom peer ratio.

North Side’s LTD ratio is more than reasonable given the bank’s size, financial condition, and assessment area credit needs, along with significantly stronger performance in comparison to the customer peer.

Lending in the Assessment Area

North Side’s HMDA and small business loans were 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: North Side 2016

Loan Type - Description	Inside				Outside				Total	
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	\$(000s)
CV - Home Purchase - Conventional	43	86.0	6,039	83.7	7	14.0	1,180	16.3	50	7,219
HI - Home Improvement	37	100.0	767	100.0	0	0.0	0	0.0	37	767
RF - Refinancing	32	86.5	3,676	80.2	5	13.5	906	19.8	37	4,582
Total HMDA related	112	90.3	10,482	83.4	12	9.7	2,086	16.6	124	12,568
SB - Small Business	95	81.2	51,930	72.9	22	18.8	19,258	27.1	117	71,188
Total Small Bus. related	95	81.2	51,930	72.9	22	18.8	19,258	27.1	117	71,188
TOTAL LOANS	207	85.9	62,412	74.5	34	14.1	21,344	25.5	241	83,756

As the table indicates, 85.9% by volume and 74.5% by dollar amount of North Side’s loans were made inside its delineated assessment area, resulting in a majority of loans being inside the assessment area.

Geographic Distribution of Lending

The geographic distribution in this assessment area is reasonable due to the bank’s excellent performance for HMDA and good performance for small business loans.

North Side made loans in only 92 out of 268 census tracts, which indicates there are lending gaps throughout the assessment area. Given the limited branch presence, limited market share (.5%), and significant competition from large national and regional financial institutions, the lending gaps are reasonable.

The following chart depicts the total loans originated by each tract income level and the number and percentage of census tracts with no lending activity.

Total Loan Types Originated in Assessment Area by Tract Income Level					
Geographies	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total
# (%) of Tracts in Assessment Area	43 (16.0%)	68 (25.4%)	87 (32.5%)	70 (26.1%)	268
# (%) of Total Originated Loans	20 (9.7%)	45 (21.7%)	53 (25.6%)	89 (43.0%)	207
# (%) of Tracts with Lending	9 (20.9%)	17 (25.0%)	30 (34.5%)	36 (51.4%)	92
# (%) of Tracts without Lending	34 (79.1%)	51 (75.0%)	57 (65.5%)	34 (48.6%)	176

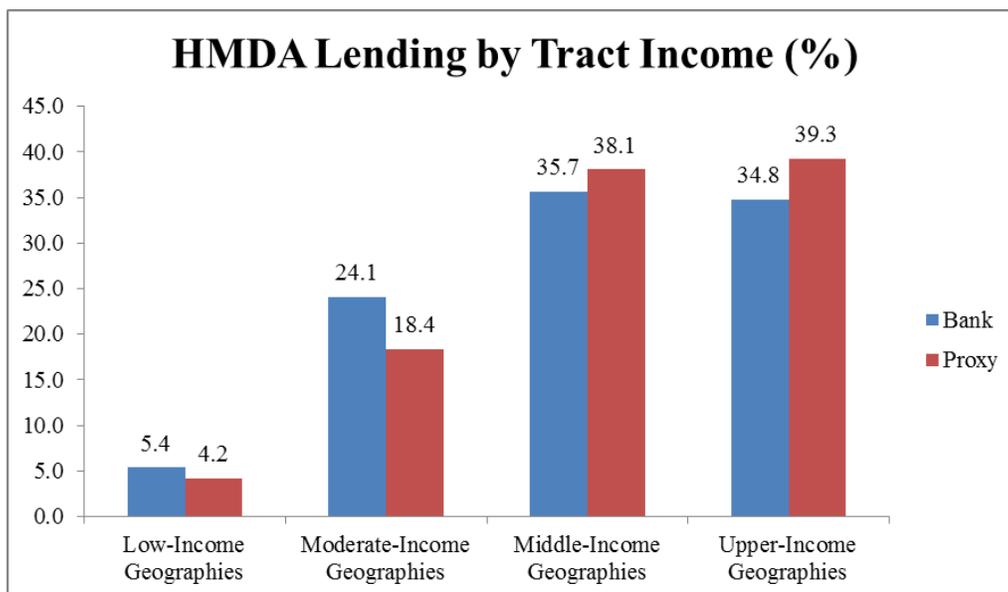
The table indicates that North Side is penetrating middle- and upper-income tracts at a slightly higher rate than the low- and moderate-income tracts. While lending gaps exist, the gaps are substantial across all income tract levels.

In addition to traditional bank products, North Side has implemented a credit builder program. This program makes a loan to the customer to open a certificate of deposit, which secures the loan. The customer makes regularly scheduled payments and when the loan is repaid, the certificate of deposit is available for use by the customer. The customer’s payment history is reported to the credit reporting agencies and helps the customer to re-establish credit.

HMDA Lending

North Side originated a total of 112 HMDA loans in the assessment area, which is comprised of 43 home purchase (38.4%), 32 refinance (28.6%), and 37 home improvement (33.0%) loans. Of the 112 loans, six were made in low-, 27 were made in moderate-, 40 were made in middle-, and 39 were made in upper-income census tracts.

North Side’s lending performance was compared to the proxy, which is the number of owner-occupied housing units in the assessment area per tract income level. As shown in the graph below, North Side surpassed the proxy relative to lending in low- and moderate-income tracts. The geographic distribution of HMDA loans is excellent.

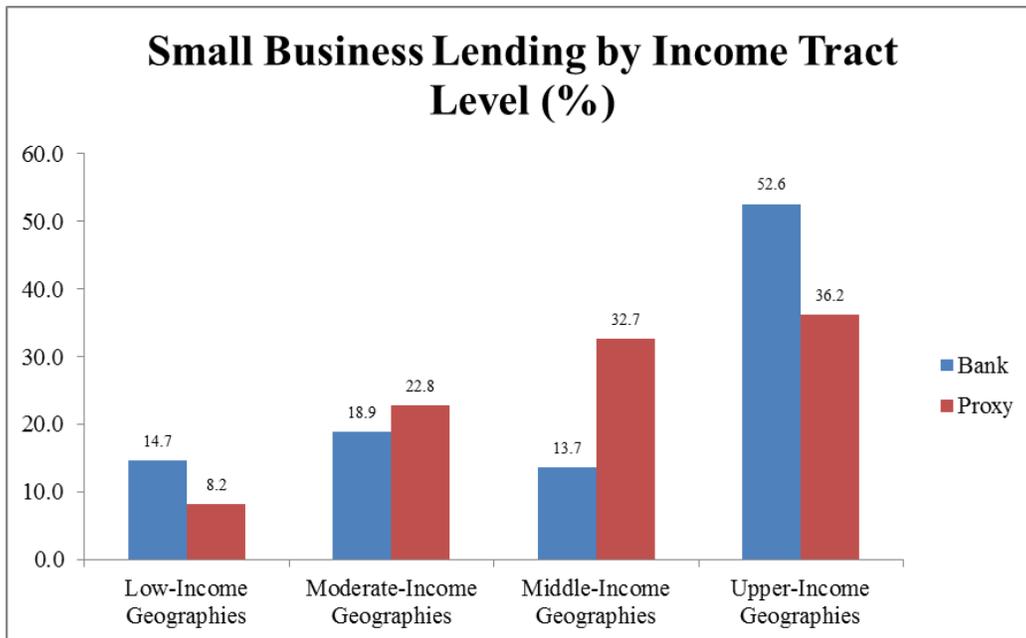


Small Business Lending

North Side originated 95 small business loans in the assessment area during the review period. Of the 95 loans, 14 were made in low-, 18 in moderate-, 13 in middle-, and 50 were made in upper-income tracts. North Side's performance was compared to the number of businesses within the assessment area (proxy).

North Side made a slightly lower percentage of loans in the moderate-income tracts than the proxy. The bank's percentage of loans in middle-income tracts was lower than the proxy and higher than the proxy in upper-income tracts.

Although the bank's performance in moderate-income tracts was slightly below the proxy, the percentage of loans in the low-income tracts was much higher than the proxy. Thus, the geographic distribution of small business lending was good.



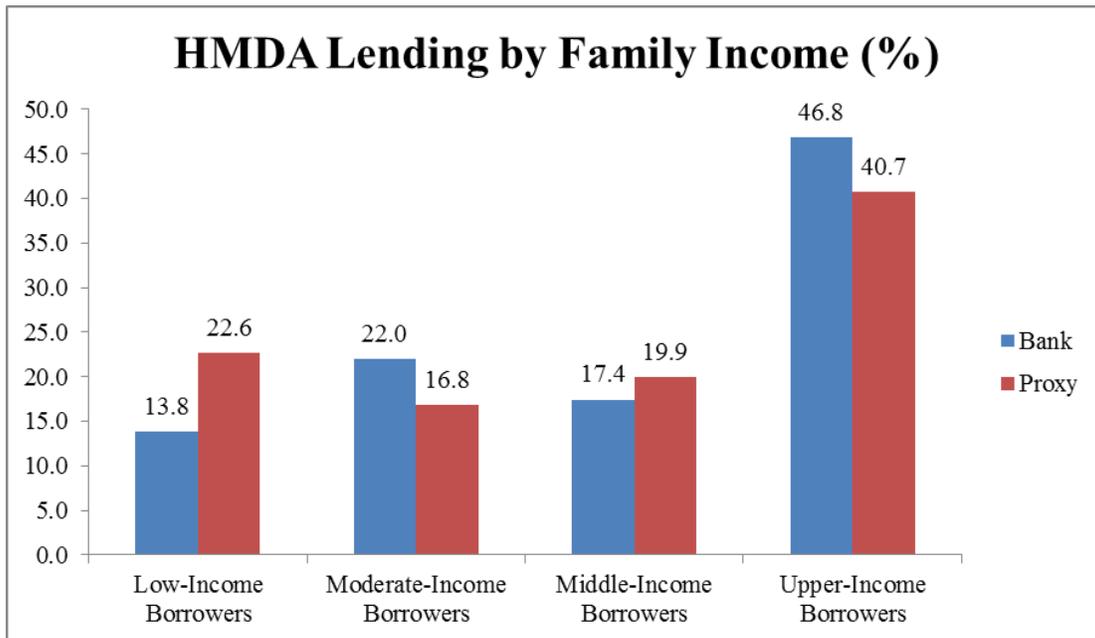
Borrower Distribution of Lending

The distribution of loans is considered reasonable based on borrower income and for businesses of different revenue sizes. Most businesses within the bank's assessment area have annualized revenues less than \$1 million. The borrower distribution of HMDA lending is good, while small business lending is poor.

HMDA Lending

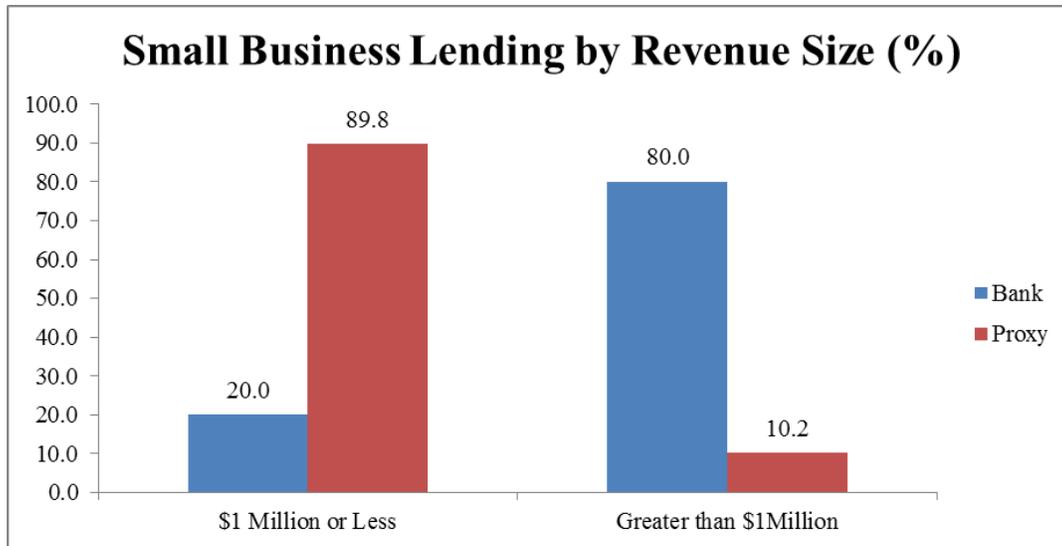
Of the 112 HMDA loans in the assessment area, 15 were to low-, 24 to moderate-, 19 to middle-, and 51 to upper-income borrowers. Additionally, the incomes were unknown for three loans and the numbers were adjusted accordingly. North Side's performance was compared to the income levels of families in the assessment area (proxy). North Side's lending to low-income borrowers

was less than the proxy and higher than the proxy for lending to moderate-income borrowers. Overall, the borrower distribution of loans for HMDA lending is considered good.



Small Business Lending

North Side originated 95 small businesses loans in the assessment area for which business revenues were reported. Of these 95 loans, 15 (20.0%) were to small businesses with revenues of \$1 million or less and 60 (80.0%) were to business with revenues of more than \$1 million. Additionally, 20 loans had unknown revenues, which resulted in an adjustment to the lending data accordingly. Businesses with revenues less than \$1 million accounted for 89.8% of businesses. Loan amount was also considered in addition to revenue, as smaller loans are generally commensurate with the borrowing needs of smaller businesses. Of the 95 total small business loans originated within the assessment area, 22.1% of the loans were for loan amounts of \$100,000 or less. The following chart depicts North Side's small business lending. Overall, the distribution of loans based on the revenue size for small business lending is considered poor.



Response to Consumer Complaints

No CRA related complaints were filed during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

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

Community Development Test

The bank is rated satisfactory under the community development test. North Side's community development performance demonstrated an adequate level of responsiveness to the needs of its assessment area through community development loans, investments, and services, considering the bank's capacity and the need and availability of community development opportunities in the assessment area.

Community Development Lending

North Side demonstrated an adequate responsiveness to the community development needs of the assessment area by originating 31 community development loans totaling \$1,769,644 that benefited the assessment area during the evaluation period. The loans supported the revitalization and stabilization of low- and moderate-income neighborhoods, providing affordable housing to low- and moderate-income individuals, and economic development.

Qualified Investments

North Side demonstrated an adequate responsiveness to the community development investment needs of its assessment area. During the evaluation period, the bank made 44 qualified donations totaling \$46,051.

Community Development Services

North Side's officers and staff members provided approximately 47 qualified services to the community by engaging in activities that promoted or facilitated affordable housing, services for low- and moderate-income individuals, and economic development.

Financial Education

North Side provided financial education through partnerships with local schools, organizations, and businesses.

Board and Committee Memberships

North Side's employees provided financial expertise through their involvement with community development organizations throughout the assessment areas. Board and committee membership positions were held at organizations that provide various services to low-income residents, assistance with affordable housing within the assessment area, and financial education to low- and moderate-income minorities.

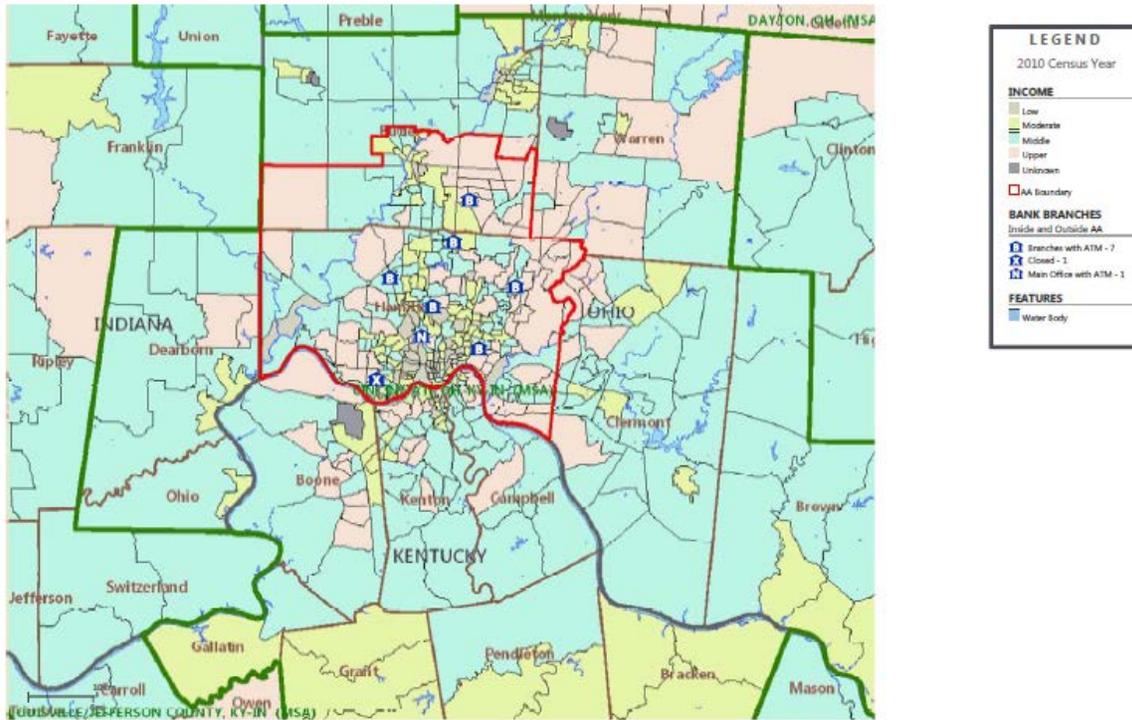
Technical Assistance

The institution's employees provided technical assistance to community development and non-profit organizations.

APPENDIX A

ASSESSMENT AREA MAP

AA: 2015 North Side Bank



APPENDIX B

LENDING TABLES

HMDA Loan Distribution Table

Exam: North Side 2016

Assessment Area/Group :North Side 2015

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	3	7.0%	387	6.4%	8	18.6%	453	7.5%
Moderate	10	23.3%	751	12.4%	8	18.6%	675	11.2%
Low/Moderate Total	13	30.2%	1,138	18.8%	16	37.2%	1,128	18.7%
Middle	8	18.6%	581	9.6%	7	16.3%	882	14.6%
Upper	22	51.2%	4,320	71.5%	18	41.9%	3,880	64.2%
Unknown	0	0.0%	0	0.0%	2	4.7%	149	2.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	43	100.0%	6,039	100.0%	43	100.0%	6,039	100.0%
Refinance								
Low	0	0.0%	0	0.0%	3	9.4%	165	4.5%
Moderate	7	21.9%	686	18.7%	6	18.8%	482	13.1%
Low/Moderate Total	7	21.9%	686	18.7%	9	28.1%	647	17.6%
Middle	18	56.3%	2,137	58.1%	7	21.9%	497	13.5%
Upper	7	21.9%	853	23.2%	15	46.9%	2,437	66.3%
Unknown	0	0.0%	0	0.0%	1	3.1%	95	2.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	32	100.0%	3,676	100.0%	32	100.0%	3,676	100.0%
Home Improvement								
Low	3	8.1%	72	9.4%	4	10.8%	44	5.7%
Moderate	10	27.0%	203	26.5%	10	27.0%	180	23.5%
Low/Moderate Total	13	35.1%	275	35.9%	14	37.8%	224	29.2%
Middle	14	37.8%	270	35.2%	5	13.5%	86	11.2%
Upper	10	27.0%	222	28.9%	18	48.6%	457	59.6%
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	37	100.0%	767	100.0%	37	100.0%	767	100.0%
Multi-Family								
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%
HMDA Totals								
Low	6	5.4%	459	4.4%	15	13.4%	662	6.3%
Moderate	27	24.1%	1,640	15.6%	24	21.4%	1,337	12.8%
Low/Moderate Total	33	29.5%	2,099	20.0%	39	34.8%	1,999	19.1%
Middle	40	35.7%	2,988	28.5%	19	17.0%	1,465	14.0%
Upper	39	34.8%	5,395	51.5%	51	45.5%	6,774	64.6%
Unknown	0	0.0%	0	0.0%	3	2.7%	244	2.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	112	100.0%	10,482	100.0%	112	100.0%	10,482	100.0%

*Information based on 2010 ACS data

CRA Loan Distribution Table

Exam: North Side 2016

Assessment Area/Group: North Side 2015

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	14	14.7%	12,055	23.2%	0	0.0%	0	0.0%
Moderate	18	18.9%	5,373	10.3%	0	0.0%	0	0.0%
Low/Moderate Total	32	33.7%	17,428	33.6%	0	0.0%	0	0.0%
Middle	13	13.7%	7,697	14.8%	0	0.0%	0	0.0%
Upper	50	52.6%	26,806	51.6%	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	95	100.0%	51,930	100.0%	0	0.0%	0	0.0%
	By Revenue							
Total \$1 Million or Less	15	15.8%	3,116	6.0%	0	0.0%	0	0.0%
Over \$1 Million	60	63.2%	22,960	44.2%	0	0.0%	0	0.0%
Not Known	20	21.1%	25,855	49.8%	0	0.0%	0	0.0%
Total	95	100.0%	51,930	100.0%	0	0.0%	0	0.0%
	By Loan Size							
\$100,000 or less	21	22.1%	1,248	2.4%	0	0.0%	0	0.0%
\$100,001 - \$250,000	26	27.4%	4,481	8.6%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	36	37.9%	18,145	34.9%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	12	12.6%	28,056	54.0%	0	0.0%	0	0.0%
Total	95	100.0%	51,930	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	6	40.0%	215	6.9%	0	0.0%	0	0.0%
\$100,001 - \$250,000	5	33.3%	883	28.3%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	4	26.7%	2,017	64.7%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	15	100.0%	3,116	100.0%	0	0.0%	0	0.0%

*Information based on 2010 ACS data

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 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 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.