

PUBLIC DISCLOSURE

January 23, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Settlers Bank
RSSD: 2747279

115 Third Street
Marietta, Ohio 45750

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 major factors and criteria contributing 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 in 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);
- The distribution of loans to businesses reflects a reasonable penetration among businesses of different sizes given the demographics of the assessment area; and,
- There were no CRA-related complaints filed against the bank since the previous CRA examination.

The previous CRA examination conducted November 5, 2012 resulted in a "Satisfactory" performance rating.

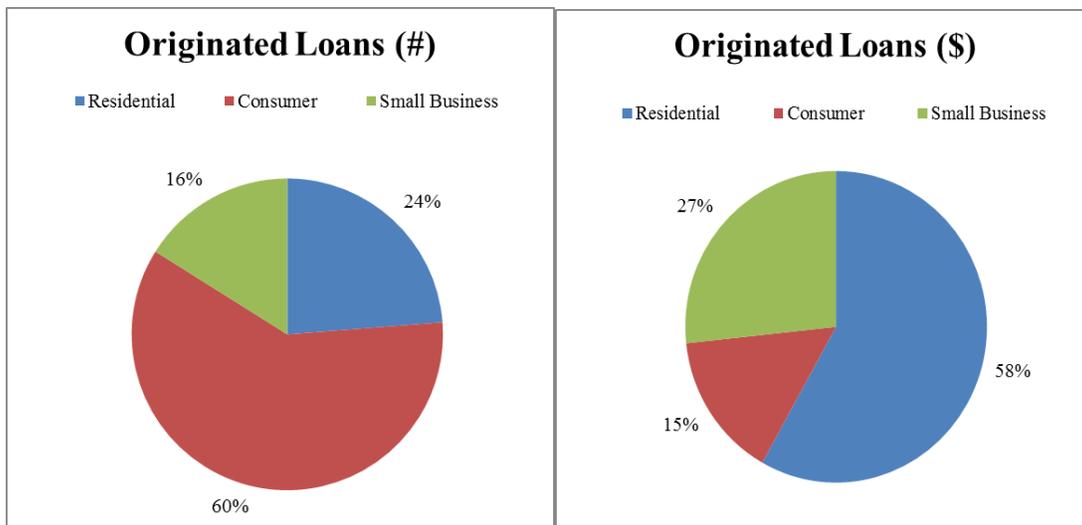
SCOPE OF EXAMINATION

The Community Reinvestment Act (CRA) performance for Settlers Bank (Settlers) was evaluated using the interagency small bank examination procedures under Regulation BB.

Settlers’ CRA performance was evaluated based on lending data for the period of January 1, 2015 to December 31, 2015. The loan products evaluated included residential, consumer, and small business loans. Residential loans are comprised of home purchase, refinance, and construction-only loans. Consumer loans are comprised of unsecured, deposit secured, motor vehicle, and other secured loans. Small business loans include real estate and non-real estate secured loans.

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

Loan Type	Number of Loans	Dollar Amount of Loans (000s)
Residential	96	12,459
Consumer	243	3,252
Small Business	65	5,719
Total	404	21,430



Based on the total loan volume by number and dollar amount and composition of the loan portfolio, residential lending received the most weight, followed by small business and consumer lending.

For the purpose of this evaluation, borrower distribution received greater weight than geographic distribution given the limited number of low- and moderate-income census tracts.

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

The size and financial condition of the institution, lending opportunities within the assessment area, and competition with other institutions were also considered in Settlers' performance context.

DESCRIPTION OF INSTITUTION

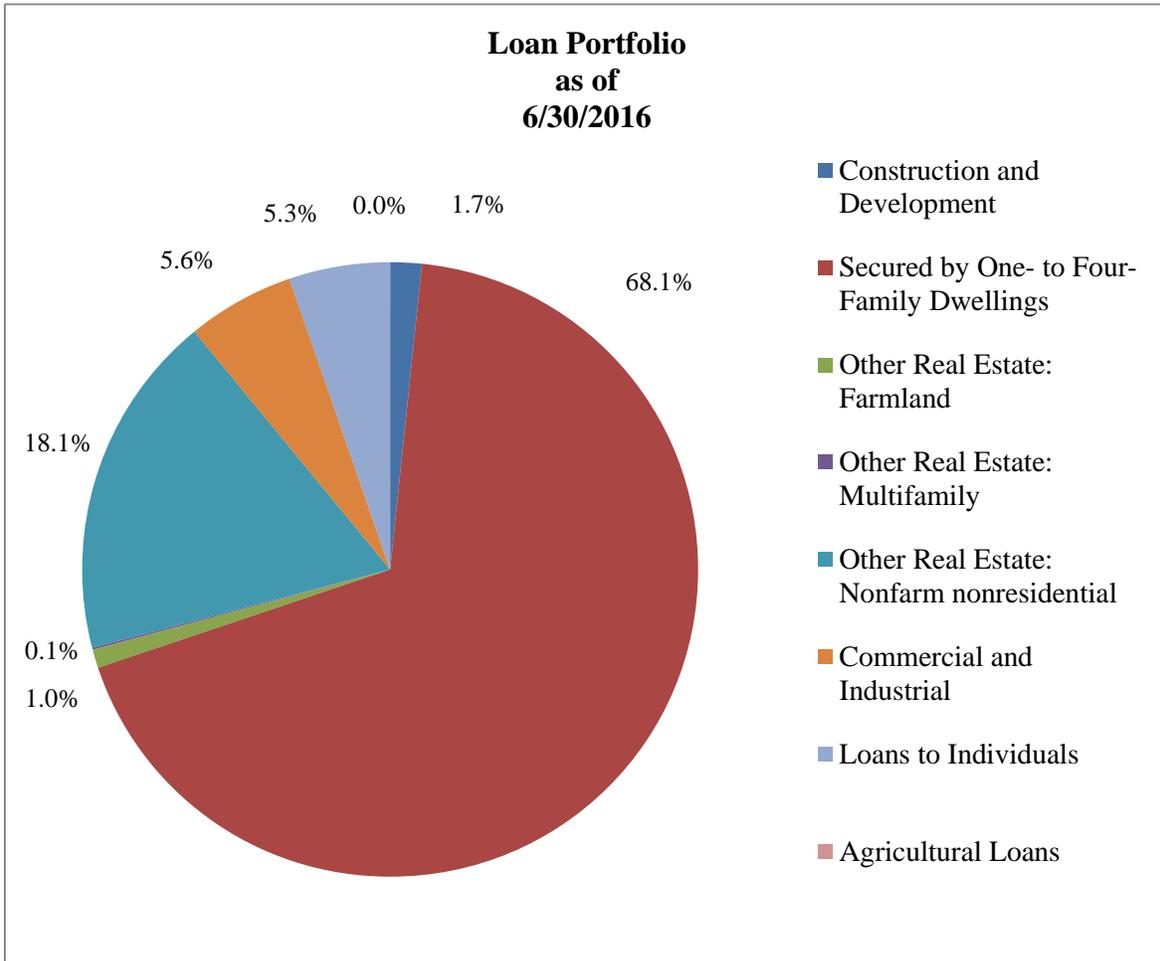
Settlers Bank is the banking subsidiary of Third Street Bancshares, Inc. and is located in Marietta, Ohio. As of September 30, 2016, Settlers reported \$120.1 million in total assets, which represents an increase of 10.8% from the previous examination date. Net loans and leases represented \$102.5 million, which is 85.3% of total assets and an increase of 15.2% since the previous CRA evaluation.

In addition to the main office located in Marietta in Washington County, Settlers operates one branch office and one full-service ATM within the assessment area. Settlers is a full-service retail bank offering business and consumer deposit accounts, residential mortgages, consumer, and commercial loans. Since the previous evaluation, Settlers has not opened or closed any branch offices or ATMs.

The following table and chart represent Settlers' loan portfolio as of June 30, 2016.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	6/30/2016		12/31/2015		12/31/2014	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	1,712	1.7%	1,207	1.2%	2,779	2.8%
Secured by One- to Four- Family	70,131	68.1%	67,239	67.4%	60,382	61.6%
Other Real Estate: Farmland	1,004	1.0%	1,034	1.0%	1,023	1.0%
Other Real Estate: Multifamily	118	0.1%	121	0.1%	127	0.1%
Other Real Estate: Nonfarm nonresidential	18,672	18.1%	19,332	19.4%	20,696	21.1%
Commercial and Industrial	5,807	5.6%	5,111	5.1%	7,256	7.4%
Loans to Individuals	5,463	5.3%	5,739	5.8%	5,708	5.8%
Agricultural Loans	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>\$102,907</i>	<i>100.00%</i>	<i>\$99,783</i>	<i>100.00%</i>	<i>\$97,971</i>	<i>100.00%</i>

* 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 Settlers from meeting the credit needs of its assessment area consistent with its asset size, business strategy, resources, and local economy.

DESCRIPTION OF NON-METROPOLITAN OHIO ASSESSMENT AREA

Settlers has one assessment area within Ohio that consists of the entirety of Washington County, which is in a non-metropolitan statistical area. The assessment area consists mainly of townships and two large cities, Marietta and Belpre. Marietta is the largest city and county seat in Washington County. Settlers' assessment area includes 16 census tracts comprised of four moderate-, 10 middle-, and two upper-income census tracts. Settlers' main office is located in a moderate-income census tract. None of the middle-income census tracts are designated as distressed or underserved.

Washington County is located in southeastern Ohio due south of Morgan, Noble, and Monroe Counties on the West Virginia border and had a population of 61,778, according to 2010 U.S. Census data.

As of June 30, 2015 the Federal Deposit Insurance Corporation (FDIC) reported 10 insured financial institutions operating one branch office within the assessment area.¹ The FDIC's market share report indicates that Settlers is ranked fourth, with 8.1% of the market share of deposits. The following table illustrates the deposit market share for the top ten financial institutions in the assessment area.

#	Financial Institution	Deposit Market Share
1	Peoples Bank, National Association	43.8%
2	JP Morgan Chase Bank, National Association	14.5%
3	The Citizens Bank Company	11.8%
4	The Settlers Bank	8.1%
5	The Huntington National Bank	5.5%
6	The Peoples Savings Bank	4.2%
7	Wesbanco Bank, Inc.	4.1%
8	Belpre Savings Bank	2.9%
9	First Bank of Ohio	2.7%
10	The Waterford Commercial and Savings Bank	2.4%

The largest institution by deposit share is Peoples Bank, National Association, followed by JP Morgan Chase, National Association and The Citizens Bank Company.

Two community contact interviews were conducted to provide additional information regarding credit needs of the local community and context to the demographic and economic characteristics discussed. One community contact was with a government agency that helps to grow and sustain business within the city limits and the other was with an organization that provides local support for non-profit organizations.

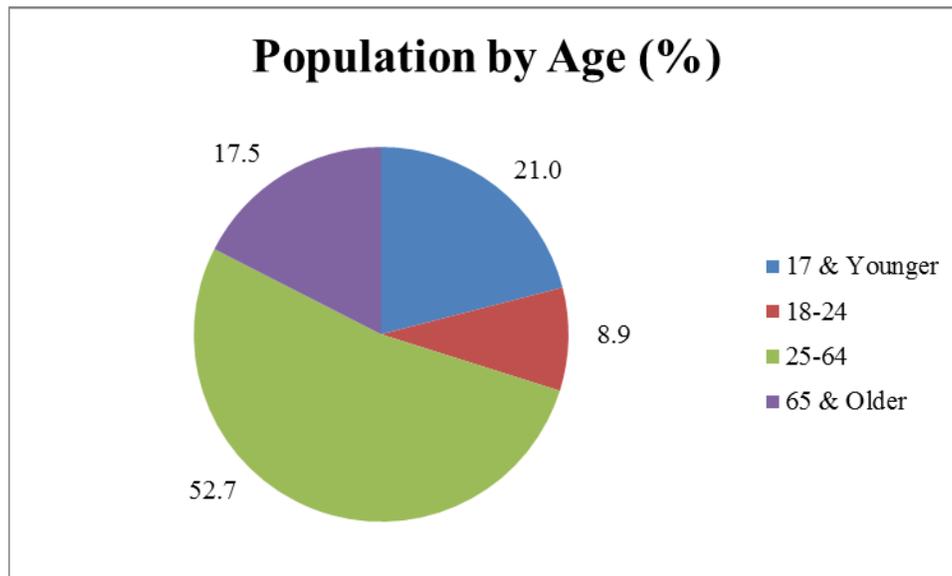
¹ FDIC Summary of Deposits: www.fdic.gov

According to one contact, banks have been very active with programs that benefit the community, such as an emergency repair program, which assists low- and moderate-income families in maintaining the upkeep of their personal residences. The program provides funds to assist with major repairs that would affect the health and safety of the family, such as roofing and plumbing. The contact stated that the industry of the area has changed from manufacturing to health care and tourism due to the historical nature of the city.

According to the second contact, while the oil and gas industry had previously brought an increase of work to the area via a new hotel and new businesses, the local economy has become somewhat stagnant in the last few years; however, businesses have remained open and the local economy appears to be stabilizing. The contact stated that local banks are responsive to the needs of the community and are focused on assisting low- and moderate individuals and small businesses.

Population Characteristics

According to the 2010 U.S. Census Bureau Report, the total population in the assessment area was 61,778. The majority of the assessment area population at 62.8% resides in middle-income census tracts, while 79.1% of the population is 18 years of age or older, the legal age to enter into a contract. The following chart provides a further breakdown of the population age within the assessment area.



According to the U.S. Census Bureau Report, the estimated population in Washington County as of July 1, 2014 was 61,778, a slight decrease of 0.9% since 2010.²

² American Fact Finder: <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml###>

Income Characteristics

According to data from the United States Department of Housing and Urban Development (HUD), the 2010 median family income level for the assessment area was \$52,699,³ which was lower than Ohio’s median family income of \$59,680. The 2015 estimated median family income levels are detailed in the following table.

**Borrower Income Levels
Ohio State Non-Metro**

HUD Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
2015	\$56,900	0 - \$28,449	\$28,450 - \$45,519	\$45,520 - \$68,279	\$68,280 - & above

The assessment area contains 25,373 households, of which 17,023 or 67.1% are designated as families. Low- and moderate-income families represent 19.8% and 18.7% of all families in this assessment area, respectively. Additionally, 10.8% of families live below the poverty level, compared to 10.3% for Ohio.

According to the data from The U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE) program, household poverty rates for Washington County were as follows:⁴

County	2014 Poverty Rate	2015 Poverty Rate	Change
Washington County	15.7%	14.7%	-6.4%
Ohio	15.8%	14.8%	-6.3%
United States	15.5%	15.0%	-3.2%

In 2015, 14.7% of Washington County’s population was in poverty, which was slightly below the poverty rate of the state and the nation.

Although Washington County’s poverty rates are lower than those for Ohio and the United States, low- and moderate-income people in this area could still encounter difficulty obtaining bank loans due to insufficient financial resources.

Labor, Employment and Economic Characteristics

According to the Ohio Office of Policy Research and Strategic Planning, the largest industries by average employment are; trade, transportation and utilities; education and health services; and manufacturing. The highest weekly wages by industry are natural resources and mining (\$1,259), manufacturing (\$1,238), and federal government (\$1,095).⁵

³ Department of Housing and Urban Development: www.huduser.org/portal/datasets/il.html

⁴ U.S. Department of Commerce: www.census.gov/did/www/saipe

⁵ Ohio County Profiles, Ohio Development Services Agency: https://development.ohio.gov/reports/reports_countytrends_map.htm

The following table identifies the employment sectors and major employers in Settlers' assessment area, but is not all-inclusive.

County	Primary Employment Sectors	Major Employers
Washington	Trade, Transportation and Utilities; Education and Health Services; Manufacturing; Local Government; and Leisure and Hospitality	American Electric Power Co., Americas Styrenics, Eramet Marietta Inc., Globe Metallurgical, KRATON Polymers LLC, Marietta City Schools, Marietta College, Marietta Memorial Health System, Pioneer Pipe, RJF International Corp., Solvay Advanced Polymers, Thermo Fisher Scientific Inc., Wal-Mart Stores, Inc.

The following table shows the 2014 and 2015 average annual unemployment rate for Washington County and Ohio. Washington County is above the state's overall unemployment rate.

Unemployment Rates
Assessment Area: The Settlers Bank, Marietta, Ohio

Area	Years - Annualized	
	2014	2015
Washington Co.	6.5 (R)	6.5 (P)
Ohio	4.6 (D)	4.9 (P)

Not Seasonally Adjusted
Data extracted on: July 30, 2016
D: Reflects revised population controls and model reestimation
P: Preliminary as of June 2016
R: Data were subject to revision on April 15, 2016

The following table illustrates the land use for Washington County in the assessment area.

County	Urban	Cropland	Pasture	Forest	Open Water	Bare Mines	Wetlands
Washington	9.7%	5.5%	17.1%	66.5%	1.1%	0.0%	0.0%

As indicated above, Washington County is predominantly forest with pasture and urban areas. Since less than 10.0% of the land is considered urban, land use for residential, commercial, and industrial or transportation purposes may be considered limited.

Housing Characteristics

There were 28,407 housing units in the assessment area, based on 2010 U.S. Census data. Within the assessment area, 66.7% of the units were owner-occupied, 22.6% were rental units, and 10.7% were vacant. The owner-occupancy rate in the assessment area is higher in comparison to Ohio's rate of 61.7%. The housing type is comprised of 79.7% single-family, 13.4% mobile homes, and 6.9% multi-family homes.

The median age of housing in the assessment area was 42 years, with 26.5% built before 1950, whereas the median statewide age is 44 years. Additionally, the median age of housing was 61 years in moderate-, 39 in middle-, and 34 in upper-income tracts. As such, it appears there could be a need for home improvement and rehabilitation loans in moderate-income census tracts.

The median housing value in the assessment area is \$110,754, with an affordability ratio of (37.8%). 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 housing value in the assessment area was slightly more affordable than Ohio at \$136,400.

Further, based on the 2015 median family income of \$56,900 for Non-Metropolitan Ohio (Non-MSA Ohio), approximately 45.9% of the homes valued up to \$104,285 in the assessment area would be considered affordable for low-income individuals and 75.2% of the homes valued up to \$166,857 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-rate, 30-year loan.

According to RealtyTrac, one in every 3,514 properties in Washington County was in foreclosure in December 2016.⁶ This was below Ohio's ratio of one in every 1,292 properties.

Geography Name	Ratio of Properties Receiving Foreclosure Filings in December 2016
Washington County	1:3,514
Ohio	1:1,292
United States	1:1,537

According to Sperling's Best Places, the median cost of a home in Washington County was \$102,800, which represents an appreciation of 8.5% in the past year.⁷ Compared to the rest of the country, Washington County's cost of living is 16.2% lower than the national average.

The median gross rent in the assessment area was \$555, with 34.7% of the rents under \$500 a month, according to 2010 Census data. The median gross rent in the county was slightly lower than Ohio at \$678. Additionally, 44.5% of renters had rent costs greater than 30.0% of the median family income within the assessment area, indicating that rents for low- and moderate-income borrowers in Settlers' assessment area were comparable to those for Ohio at 45.7%

The following table further illustrates the demographics of Settlers' assessment area.

⁶ RealtyTrac: <http://realtytrac.com>

⁷ Sperling's Best Places: <http://bestplaces.net>

Combined Demographics Report

Assessment Area(s): Settlers Bank

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	3,362	19.7
Moderate-income	4	25	2,641	15.5	472	17.9	3,183	18.7
Middle-income	10	62.5	11,164	65.6	1,121	10	3,584	21.1
Upper-income	2	12.5	3,218	18.9	241	7.5	6,894	40.5
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	16	100.0	17,023	100.0	1,834	10.8	17,023	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	5,846	2,792	14.7	47.8	2,493	42.6	561	9.6
Middle-income	17,911	12,454	65.7	69.5	3,428	19.1	2,029	11.3
Upper-income	4,650	3,699	19.5	79.5	507	10.9	444	9.5
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	28,407	18,945	100.0	66.7	6,428	22.6	3,034	10.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0	0	0	0	0	0	0
Moderate-income	811	30.2	706	29.7	98	38.1	7	14.6
Middle-income	1,494	55.6	1,333	56	126	49	35	72.9
Upper-income	380	14.2	341	14.3	33	12.8	6	12.5
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	2,685	100.0	2,380	100.0	257	100.0	48	100.0
Percentage of Total Businesses:			88.6		9.6		1.8	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0	0	0	0	0	0	0
Moderate-income	8	4.4	8	4.4	0	0	0	0
Middle-income	154	85.1	153	85	1	100	0	0
Upper-income	19	10.5	19	10.6	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	181	100.0	180	100.0	1	100.0	0	.0
Percentage of Total Farms:			99.4		.6		.0	

2015 FFIEC Census Data and 2015 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Settlers' performance under the lending test is considered satisfactory, as it made a majority of its loans inside its assessment area and both the geographic and borrower distribution of lending are considered reasonable.

Loan-to-Deposit Ratio

A financial institution's loan-to-deposit (LTD) ratio 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 Settlers' quarterly LTD ratios for the 17 quarters since the previous evaluation, along with the LTD ratios and averages for three local peer banks for the same period. The custom peer LTD ratio is the combined aggregate LTD ratio for all three peer banks.

Settlers Bank Loan-to-Deposit Ratios					
AS OF DATE	SETTLERS BK	CITIZENS BK CO	PEOPLES SVG BK	BELPRE SVG BK	CUSTOM PEER RATIO
September 30, 2016	99.65	71.13	47.14	80.77	66.35
June 30, 2016	99.37	68.92	46.25	84.38	66.52
March 31, 2016	97.87	65.06	46.01	90.13	67.07
December 31, 2015	92.93	63.01	45.36	95.66	68.01
September 30, 2015	91.62	60.73	44.75	101.68	69.05
June 30, 2015	90.23	59.35	43.55	102.34	68.41
March 31, 2015	87.73	54.37	38.90	102.96	65.41
December 31, 2014	88.44	53.58	40.00	110.69	68.09
September 30, 2014	91.64	51.44	43.74	118.93	71.37
June 30, 2014	90.13	51.11	44.80	115.90	70.60
March 31, 2014	95.48	51.72	50.47	114.30	72.16
December 31, 2013	97.64	52.13	50.27	115.89	72.76
September 30, 2013	99.44	57.40	55.05	119.90	77.45
June 30, 2013	101.66	54.36	58.13	114.29	75.59
March 31, 2013	94.86	52.39	61.00	108.40	73.93
December 31, 2012	96.64	57.81	64.49	112.54	78.28
September 30, 2012	95.87	56.26	65.85	111.79	77.97
Quarterly Loan-to-Deposit Ratio Average Since the	94.78	57.69	49.75	105.91	70.01

Settlers averaged 94.8% over the past 17 quarters of operation and exceeded the custom peer average ratio of 70.0%, which includes Citizens Banking Company, Peoples Savings Bank, and Belpre Savings Bank.

Settlers has been consistent with minor fluctuations throughout the review period. Settlers' LTD ratio is more than reasonable given its size, financial condition, and assessment area credit needs.

Lending in the Assessment Area

Settlers' residential real estate, consumer, and small business loans were analyzed to determine the volume of lending inside and outside its assessment area. The following table shows the distribution of loans made inside and outside its assessment area.

Lending Inside and Outside the Assessment Area

Exam: Settlers Bank 2017

Loan Type - Description	Inside				Outside				Total	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%	#	\$ (000s)
RL - Residential Loans	81	84.4	10,290	82.6	15	15.6	2,168	17.4	96	12,459
XX - Consumer Loans	197	81.1	2,626	80.8	46	18.9	626	19.2	243	3,252
Total Consumer related	278	82.0	12,917	82.2	61	18.0	2,794	17.8	339	15,711
SB - Small Business	51	78.5	4,426	77.4	14	21.5	1,294	22.6	65	5,719
Total Small Bus. related	51	78.5	4,426	77.4	14	21.5	1,294	22.6	65	5,719
TOTAL LOANS	329	81.4	17,342	80.9	75	18.6	4,088	19.1	404	21,430

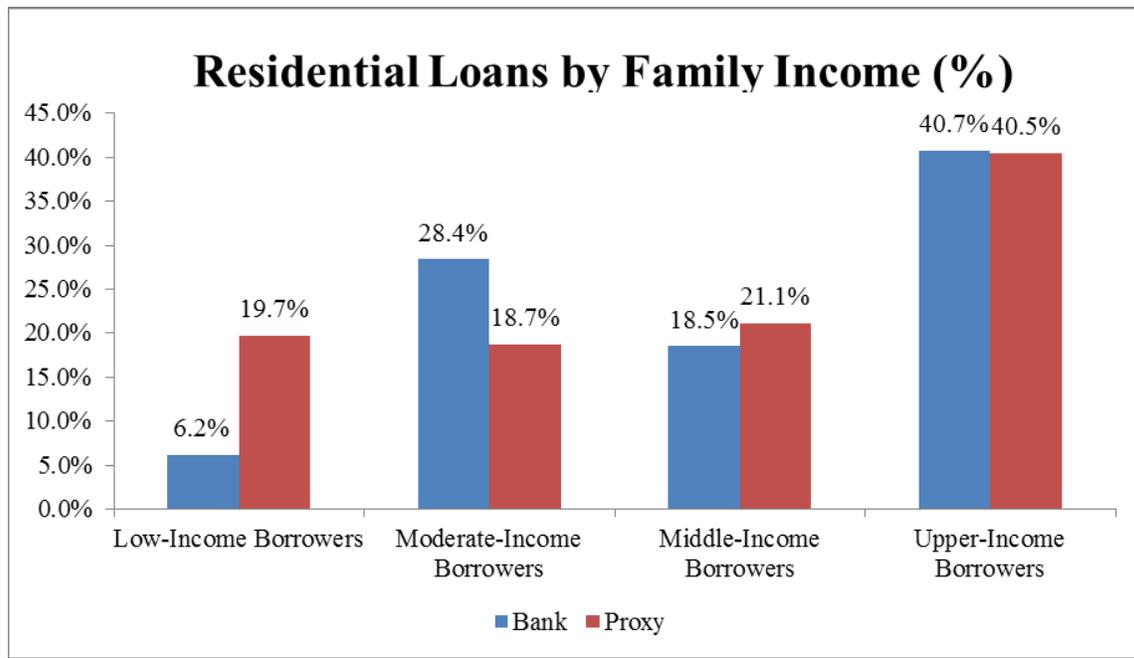
As the table above indicates, a majority of Settlers' loans both by volume (81.4%) and dollar amount (80.9%) were made inside its delineated assessment area and 84.4% of residential lending by volume and 82.6% by dollar amount were made within Settlers' assessment area. Of the loans made to small businesses, 78.5% by volume and 77.4% by dollar amount were made within Settlers' assessment area and of the loans made to consumers, 81.1% by volume and 80.8% by dollar amount were made within Settlers' assessment area.

Borrower Distribution of Lending

Settlers' lending to borrowers of different income levels and lending to businesses of different revenue sizes is considered reasonable. Borrower distribution for residential lending is considered excellent, while consumer and small business lending is reasonable.

Residential Mortgage Lending

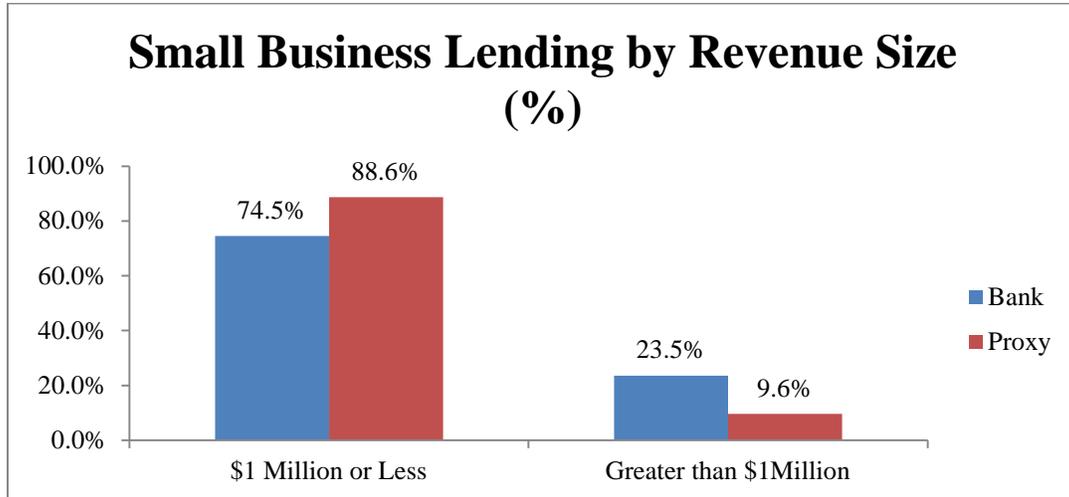
Settlers' mortgage lending performance was compared to the income levels of families in the assessment area for 2015. Settlers made 6.2% of its residential loans to low-income borrowers compared to the percentage of low-income families in the assessment area (proxy) at 19.7%. Further, Settlers generated 28.4% of its residential loans to moderate-income borrowers, which is well above the percentage of moderate-income families in the assessment area at 18.7%. Middle-income borrowers received 18.5% of the residential loans compared to the proxy at 21.1%. Upper-income borrowers received similar percentages of residential loans at 40.7% compared to the proxy at 40.5%.



Factors such as older housing stock and unemployment rate limit the ability of creditors to originate residential loans to low-income borrowers. Older housing stock often means that prospective homebuyers would need to budget for home improvement and upkeep costs, in addition to mortgage repayment costs and the 6.5% unemployment rate in Washington County makes it more difficult for low-income borrowers to qualify for residential loans. Lastly, 10.8% of families in the assessment area have incomes below the poverty level, and as such, families below the poverty level would not likely qualify for a residential mortgage loan. The borrower distribution of residential loans is considered reasonable.

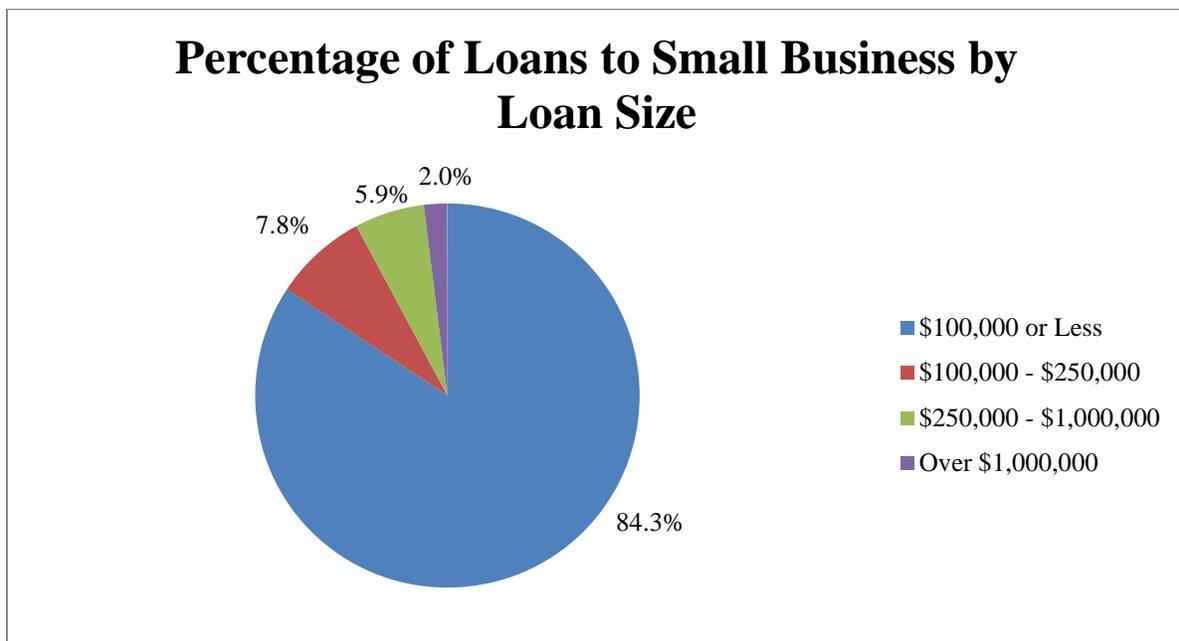
Small Business Lending

Small businesses are defined as those with gross revenues of less than or equal to \$1 million. Settlers originated 51 small business loans totaling \$4.4 million during the evaluation period. As shown in the chart below, 74.5% of Settlers’ loans were originated to businesses with \$1 million or less in revenue compared to the proxy of 88.6%.



As depicted in the chart below, 84.3% of Settlers’ business loans were extended for \$100,000 or less and 7.8% of its business loans were for amounts greater than \$100,000, but less than or equal to \$250,000. Additionally, 2.5% of Settlers’ business loans were for amounts greater than \$250,000, but less than or equal to \$1 million and 2.0% of its business loans were for amounts greater than \$1 million.

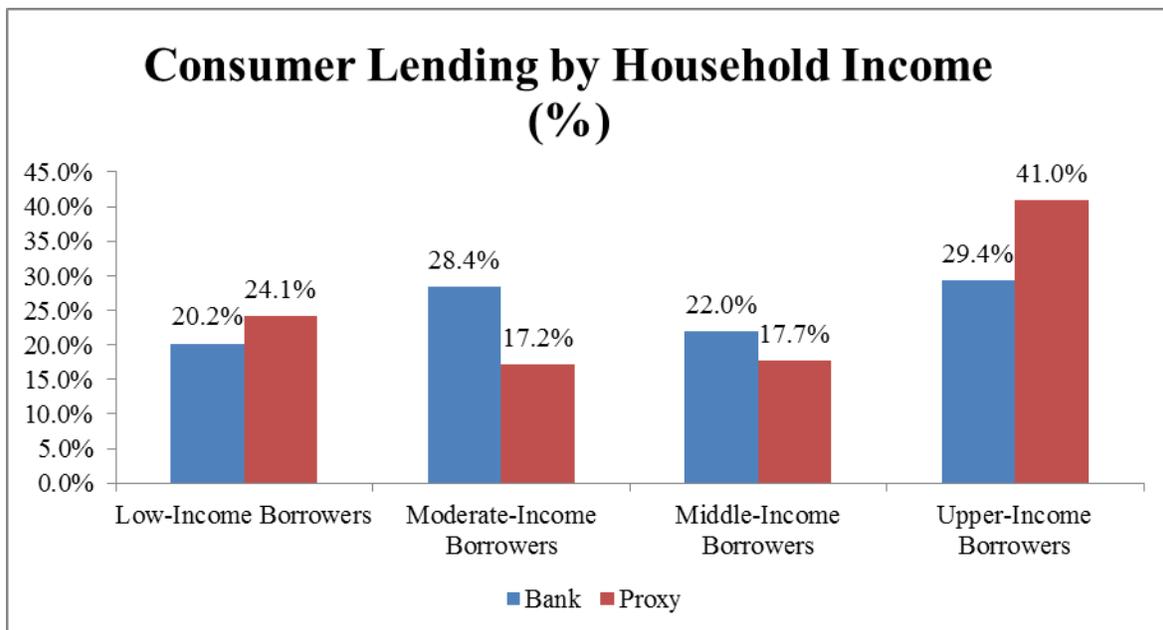
This is consistent, as smaller loans are generally commensurate with the borrowing needs of smaller businesses. Settlers’ small business lending activity is considered reasonable and demonstrates that it is effectively meeting the credit needs of its local businesses.



Consumer Lending

As depicted in the following graph, Settlers made 20.2% of its direct consumer loans to low-income borrowers, which is comparable to the percentage of low-income households in the assessment area of 24.1%. Moderate-income borrowers received 28.4% of direct consumer loans, which exceeded than the percentage of moderate-income households of 17.2%. Middle-income borrowers received 22.0% direct consumer loans compared to the proxy of 17.7% and upper-income borrowers received 29.4% of direct consumer loans compared to the proxy of 41.0%.

Demand for traditional consumer loans is limited among low-income families. Consequently, 14.6% of the households in the assessment area are below the poverty level, of which 24.1% are designated as low-income households. The borrower distribution of direct consumer loans is considered excellent.



Geographic Distribution of Lending

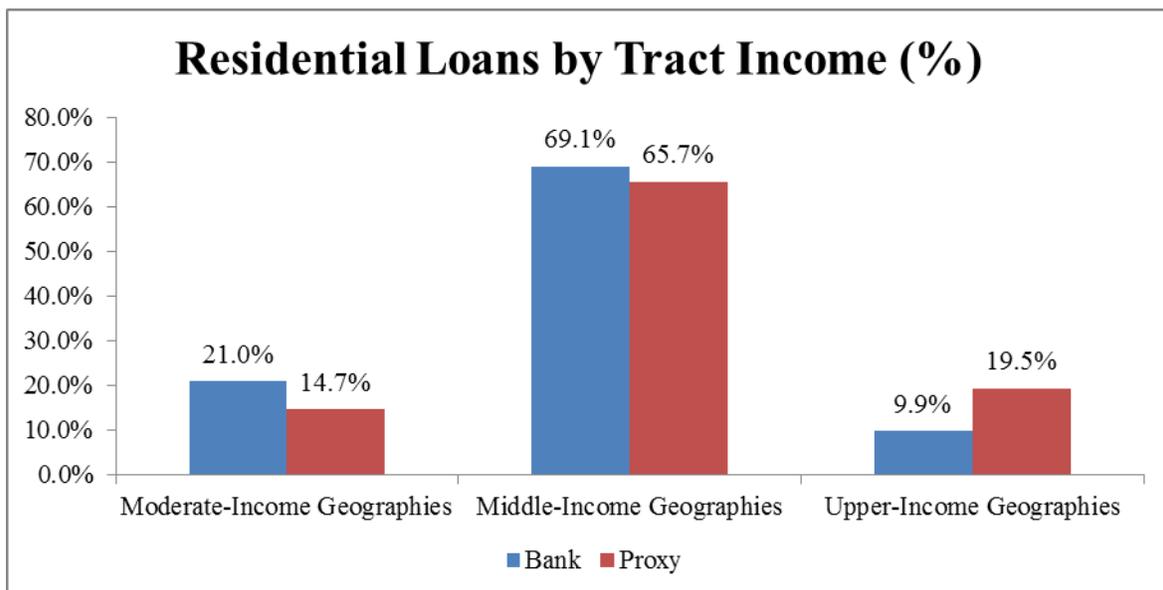
The geographic distribution is considered reasonable due to Settlers’ excellent performance for residential lending and reasonable performance for small business and consumer lending. Further, Settlers made loans in all but one of its census tracts located in southeastern Washington County. The dispersion of loans among the different tract income categories is considered reasonable. The following table depicts the total loans originated by each tract income level and the number and percentages 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	NA	4 (25.0%)	10 (62.5%)	2 (12.5%)	16
# (%) of Total Originated Loans	NA	66 (20.0%)	231 (70.2%)	32 (9.7%)	329
# (%) of Tracts with Lending	NA	3 (20.0%)	10 (66.7%)	2 (13.3%)	15
# (%) of Tracts without Lending	NA	1 (100.0%)	0 (0.0%)	0 (0.0%)	1

As indicated in the table above, Settlers is penetrating moderate-, middle- and upper-income tracts at a high rate. Settlers' main office is located in a moderate-income census tract and Settlers holds 8.1% of the market share in the area.

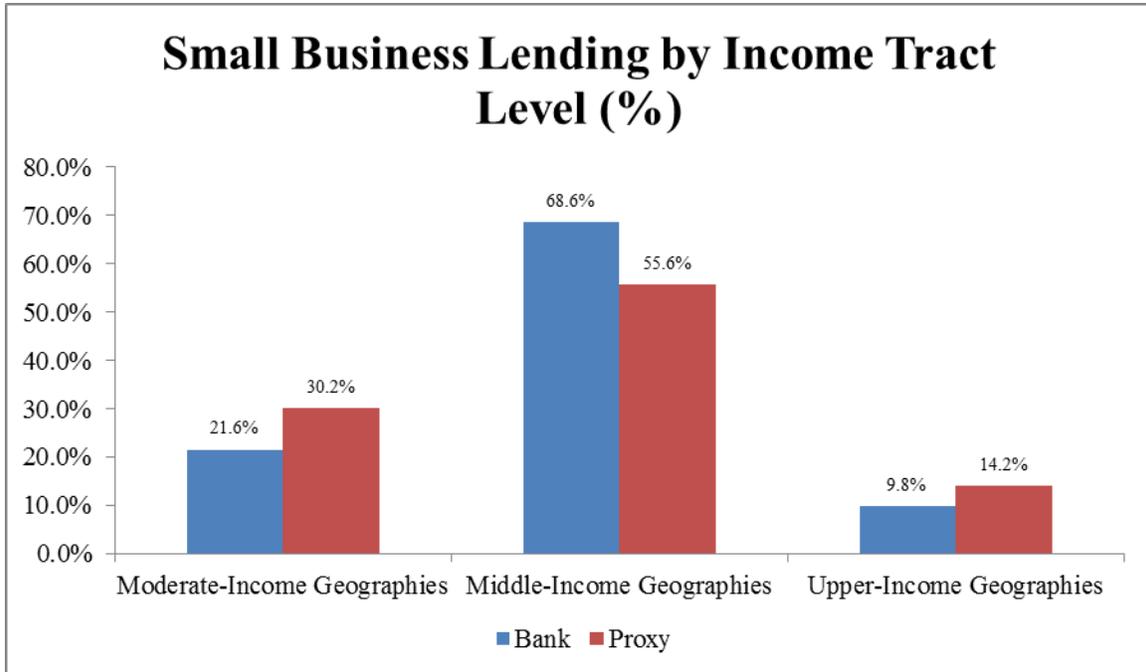
Residential Mortgage Lending

As shown in the graph below, Settlers' percentage of residential loans made in moderate-income tracts was well above the percentage of owner-occupied units in these tracts. Settlers was also slightly above proxy in middle-income tracts, but significantly below proxy in upper-income census tracts. Given Settlers' performance in the moderate-and middle-income census tracts and the high poverty level (25.7% of families in moderate-income tracts were below the poverty level in 2010), the geographic distribution of residential lending is considered excellent.



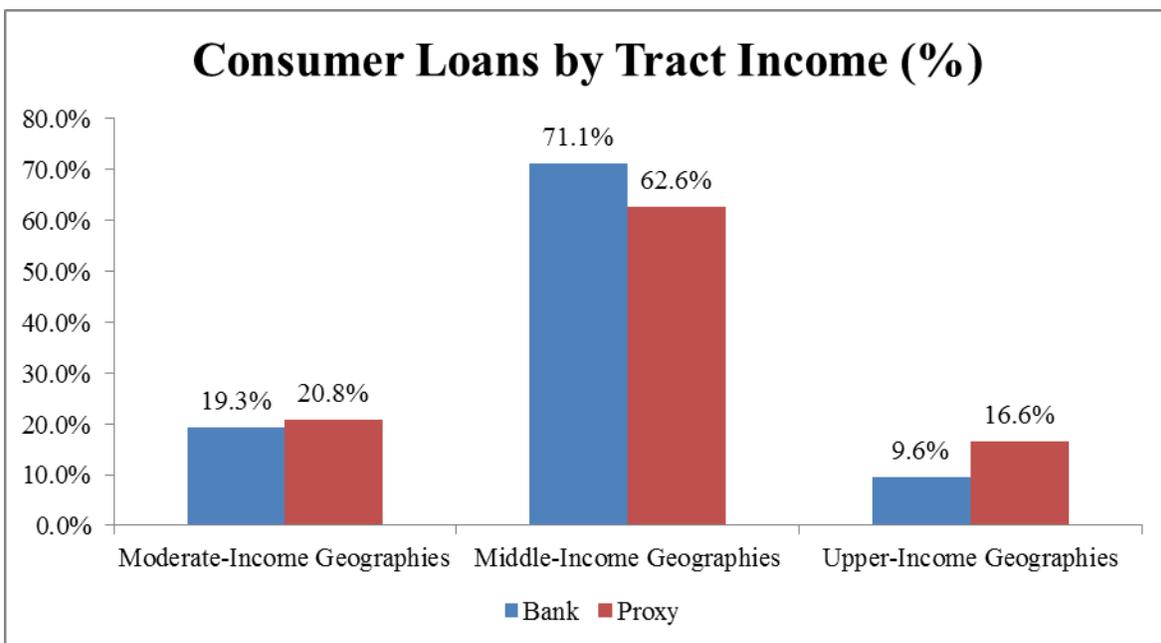
Small Business Lending

As depicted in the following graph, Settlers made 21.6% of its small business loans in moderate-income tracts, which is less than the percentage of businesses in moderate-income tracts (proxy) at 30.2%. Settlers made more small business loans in middle-income tracts at 68.6% than the proxy at 55.6%, but fewer loans in upper-income tracts at 9.8% compared to the proxy at 14.2%. The geographic distribution of small business loans is considered reasonable.



Consumer Lending

As shown in the graph below, Settlers was slightly below the percentage of consumer loans made in moderate-income tracts (19.3%) compared to the percentage of households in these tracts 20.8% (proxy). Settlers made more consumer loans in middle-income tracts at 71.1% than the proxy at 62.6%, but made fewer consumer loans in upper-income tracts at 9.6% compared to the proxy at 16.6%. The geographic distribution of consumer loans is considered reasonable.



Response to Consumer Complaints

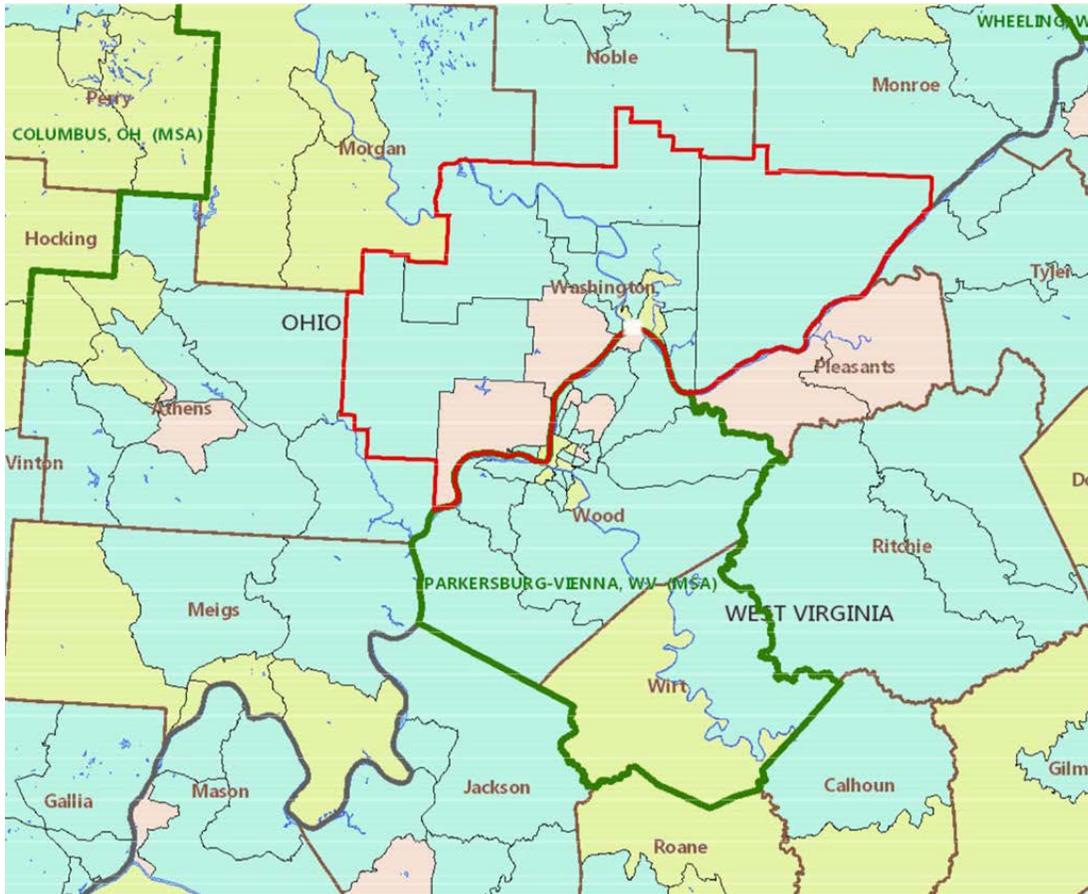
No CRA-related complaints were filed against Settlers during the evaluation period.

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.

APPENDIX A
ASSESSMENT AREA MAP

Non-MSA Ohio



APPENDIX B
LENDING TABLES

Consumer Loan Distribution Table

Exam: Settlers Bank 2017

Assessment Area/Group : Settlers Bank

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
	Consumer Loans							
Low	0	0.0%	0	0.0%	22	11.2%	171	6.5%
Moderate	38	19.3%	481	18.3%	31	15.7%	288	11.0%
Low/Moderate Total	38	19.3%	481	18.3%	53	26.9%	459	17.5%
Middle	140	71.1%	1,735	66.1%	24	12.2%	380	14.5%
Upper	19	9.6%	410	15.6%	32	16.2%	695	26.5%
Unknown	0	0.0%	0	0.0%	88	44.7%	1,093	41.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	197	100.0%	2,626	100.0%	197	100.0%	2,626	100.0%
	Residential Loans							
Low	0	0.0%	0	0.0%	5	6.2%	377	3.7%
Moderate	17	21.0%	1,304	12.7%	23	28.4%	2,309	22.4%
Low/Moderate Total	17	21.0%	1,304	12.7%	28	34.6%	2,686	26.1%
Middle	56	69.1%	7,862	76.4%	15	18.5%	1,805	17.5%
Upper	8	9.9%	1,124	10.9%	33	40.7%	5,122	49.8%
Unknown	0	0.0%	0	0.0%	5	6.2%	677	6.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	81	100.0%	10,290	100.0%	81	100.0%	10,290	100.0%
	Consumer Loan Totals							
Low	0	0.0%	0	0.0%	27	9.7%	548	4.2%
Moderate	55	19.8%	1,785	13.8%	54	19.4%	2,597	20.1%
Low/Moderate Total	55	19.8%	1,785	13.8%	81	29.1%	3,145	24.3%
Middle	196	70.5%	9,598	74.3%	39	14.0%	2,185	16.9%
Upper	27	9.7%	1,534	11.9%	65	23.4%	5,817	45.0%
Unknown	0	0.0%	0	0.0%	93	33.5%	1,770	13.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	278	100.0%	12,917	100.0%	278	100.0%	12,917	100.0%

CRA Loan Distribution Table

Exam: Settlers Bank 2017

Assessment Area/Group: Settlers Bank

Income Categories	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income											
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	11	21.6%	766	17.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	11	21.6%	766	17.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	35	68.6%	3,464	78.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	5	9.8%	196	4.4%	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%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	51	100.0%	4,426	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	By Revenue											
Total \$1 Million or Less	38	74.5%	3,031	68.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million	12	23.5%	1,293	29.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	1	2.0%	102	2.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	51	100.0%	4,426	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	By Loan Size											
\$100,000 or less	49	94.3%	1,531	34.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	4	7.8%	572	12.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	3	5.9%	1,321	29.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)- \$500k (Farm)	1	2.0%	1,002	22.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	51	100.0%	4,426	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue \$1 Million or Less											
\$100,000 or less	34	89.5%	1,201	39.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	2	5.3%	370	12.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	1	2.6%	459	15.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)- \$500k (Farm)	1	2.6%	1,002	33.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	38	100.0%	3,031	100.0%	0	0.0%	0	0.0%	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 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.