



PUBLIC DISCLOSURE

November 28, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Midwest Savings Bank, National Association
Charter Number 25160

6460 Busch Boulevard
Suite 200
Columbus, OH 43220

Office of the Comptroller of the Currency

Central Ohio Field Office
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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, and should not 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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Overall CRA Rating

The Lending Test is rated: **Satisfactory**

- The loan to deposit (LTD) ratio was reasonable during the review period.
- Lending to borrowers of different incomes within the Ohio and Florida assessment areas was reasonable.
- In California, small business and consumer lending distributions are reasonable.
- In Texas, the small business lending distributions are excellent, and consumer lending distributions are reasonable.
- The OCC has not identified that this institution [or any affiliate whose loans have been considered as part of the institution's lending performance] has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 (MA)/assessment area.

Census Tract (CT): 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 areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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: 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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 Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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) 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.

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.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

United Midwest Savings Bank (United or bank) is a national bank, and a wholly owned subsidiary of MSB Capital Corporation (MSB). As of September 30, 2018, the bank had total assets of \$257 million. There has been no merger or acquisition activity since the previous CRA evaluation.

As of September 30, 2018, net loans and leases represented 71.0 percent of total assets. By dollar volume, the \$185.8 million loan portfolio is 56.8 percent commercial, 24.9 percent consumer, 18.1 percent residential real estate, and 0.02 percent agricultural. Tier 1 Capital is \$23.8 million.

Branch location drove the establishment of the bank's assessment areas. The Columbus, OH, MA assessment area is Franklin County. The bank currently has three branches in Franklin County, one in a moderate-income CT, one in a middle-income CT, and one in an upper-income CT. All have Saturday hours and two of the three also have ATM machines. Per the June 30, 2018 Federal Deposit Insurance Corporation (FDIC) report, the bank's deposit market share rank is 0.19 percent, ranking 18th out of 30 market participants. The market is dominated by large banks. See also appendix C below for information on this urban market.

There is an office in Seminole County, Florida, a populous, but mostly suburban county in the Orlando-Kissimmee-Sanford MA. The branch is in an upper-income CT. Per the June 30, 2018 FDIC report, the bank's deposit market share is 0.48 percent, ranking 25th out of 29 market participants. The market is dominated by large banks. There are no Saturday hours; however there is an ATM available. See also appendix C below for information on this urban market.

There are two offices in rural areas of Ohio. One is in the village of De Graff in Logan County. Since the De Graff branch is also near Champaign County, both counties are included as an assessment area. The De Graff branch is in a middle-income CT. The second branch is in the village of West Manchester in Preble County. The West Manchester branch is also near Darke County, so both counties are included as an assessment area. The West Manchester branch is in a middle-income CT. The demographics and economics of these four rural counties are substantially similar, so we considered the four counties as one assessment area. Of the 44 CTs in this four county assessment area, there are no low-income CTs and six moderate income CTs. Per the June 30, 2018 FDIC report, the bank's deposit market share is 1.9 percent, ranking 20th out of 29 market participants. The market has no dominant participant as numerous banks of all sizes are active. Both branches have Saturday hours and ATMs.

There has been two branch openings and one branch closure since the previous CRA evaluation. These activities resulted in one less assessment area compared to the prior evaluation, but no negative impact on consumers is noted.

United received a rating of Satisfactory at the previous CRA examination dated March 10, 2014.

United's deposits are gathered from communities surrounding the branch offices in a traditional manner. However, loan operations are not traditional in nature. United's lending model is to

originate two specialty products to a nationwide market, mostly through third party sources. The primary products are highly specialized niches within commercial and consumer loan markets.

Commercial Lending

The primary lending activity is focused on commercial loans that qualify for partial guarantees through various U.S. government lending programs such as the Small Business Administration (SBA) or U.S. Department of Agriculture (USDA).

The substantial majority of the loans originated during the review period were SBA 7(a) program loans. Due to the specialized credit markets in which the bank participates, the borrower base is nationwide with no apparent geographic concentrations.

Consumer Lending

Similar to the commercial line of business, the consumer loan portfolio consists of a nationwide borrowing base and a narrow niche market. The majority of loans are to finance small dollar loans to purchase musical instruments. United utilizes third party sources to help establish relationships with instrument vendors. Thus, the bank must maintain a national borrowing base to originate the types of loans management and the Board find desirable. A small number of traditional consumer and residential mortgage loans have been made through the bank's local retail branch network.

Financial and Legal Impediments

United has significant financial and legal impediments that affected its ability to meet the credit needs of its assessment areas. A Cease and Desist Order (C&D) that prohibited most types of non-homogenous loan originations without prior OCC approval went into effect on April 7, 2010. In light of the recession and the C&D restrictions, the bank ended its residential lending operations prior to the beginning of the current review period. The Board's decision to exit the mortgage market resulted in the loss of mortgage lending expertise.

The C&D was terminated on April 8, 2015; however, management's focus after termination was to sustain profitability, strengthen capital, and reduce classified assets. Therefore, management focused on the bank's core business model, which is centered on the national SBA and consumer lending activities.

Management made substantial progress on financial issues gradually throughout the evaluation period. This provided management opportunities to expand certain product offerings. In April 2017, the bank hired SBA lenders and staffing that focused on assisting with small business development (on a national basis) by making available SBA guaranteed loans up to \$150,000 to small start-up and franchise businesses. This SBA guaranteed loan program provides credit to assist small businesses that may not qualify for conventional loan programs that require a larger equity injection. A significant increase in both consumer and SBA lending volume was noted in 2017 when compared to 2015 and 2016.

Other Information

In April 2018, the bank re-entered the residential mortgage lending market by hiring a small residential lending staff to reintroduce and originate mortgage loans in the bank's Ohio assessment areas.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We conducted a full-scope CRA evaluation to assess the bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas. We used the small bank CRA evaluation procedures to assess the bank's performance. Lending activity was analyzed in full year increments for the Lending Test, including 2015, 2016 and 2017 (lending evaluation period). Our analysis required the use of assessment area demographic information. Due to changes in demographic information, 2017 was analyzed separately. The bank's primary products throughout the three year evaluation period were small business and consumer loans. We analyzed both small business and consumer lending when sufficient volume (twenty loans) in an assessment area was present in either the 2015/2016 or 2017 evaluation period.

Data Integrity

The bank is not subject to residential mortgage, small business or small farm reporting requirements. Therefore, we sampled loans in our analysis of lending data, which included a determination of the income level of the area in which either the loan funds were disbursed or the borrower resided. We confirmed the accuracy of business revenues by sampling loan records. Bank controls were deemed sufficient to allow for reliance on the borrower income figures collected in the consumer loan underwriting process. No substantive deficiencies with the data were noted.

Selection of Areas for Full-Scope Review

In Ohio, the Columbus (Franklin County) assessment area was chosen for a full scope review as 63.8 percent of Ohio retail deposits are attributable to the bank's branches located in the Columbus area. Further, the Ohio Non-MA assessment area is served adequately by the physical presence of 28 other financial institutions with 75 offices.

In Florida, Seminole County was reviewed using full scope procedures as there are no other assessment areas in the state. See also appendix A.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews as well as the results of our lending analysis in the two states sampled. More weight was given to the bank's performance in Ohio than Florida. Seminole County Florida, has relatively few low- or moderate-income CTs given the large population. Further, 78.7 percent of the bank's deposits are attributed to the Ohio branch network. See also appendix C.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution [or any affiliate whose loans have been considered as part of the institution's lending performance] has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Criteria

Loan-to-Deposit Ratio

United's loan to deposit (LTD) ratio was reasonable during the review period. The LTD ratio is calculated on a bank-wide basis. United had an average LTD ratio of 87.8 percent, calculated over the 19 quarter period from the 1st quarter of 2014 to the 3rd quarter of 2018. This was similar to the 85.7 percent average LTD maintained by its peer group during the same time period. The peer group was comprised of banks and thrifts with less than \$1 billion in assets that are headquartered in one of the bank's assessment areas.

Lending in Assessment Areas

United originated a substantial majority of its loans outside of its assessment areas during the review period.

Because the random sample of 20 small business and 20 consumer loans did not yield any loans to borrowers within the assessment areas, we completed a portfolio wide analysis of lending in the assessment areas. The following table displays the total number of loans made in any of the bank's assessment areas for both primary loan products during 2015, 2016 and 2017.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Consumer	146	0.8	17,527	99.2	17,673	852	0.8	103,499	99.2	104,351
Small Business	9	2.1	424	97.9	433	8,332	4.0	201,874	96.0	210,206
Total	155	0.9	17,951	99.1	18,106	9,184	2.9	305,373	97.1	314,557

*Source: 1/1/2015 – 12/31/2017 Bank Data
Due to rounding, totals may not equal 100.0*

Despite the low volume of lending within the assessment areas, performance within the assessment areas is adequate. United's non-traditional business model, financial impediments to lending, and community development lending activities mitigate the results of the In/Out analysis and overall low volume of loans in the assessment areas.

Analysis of peer data and active institutions in each of the assessment areas indicates that the communities are not lacking access to financial services. United has a small percentage of deposit market share in relation to its competitors in each assessment area.

Lending activity, both inside and outside the assessment areas, increased substantially from the previous CRA evaluation, which analyzed lending activities in 2012 and 2013. During that prior evaluation period, the bank originated 51 consumer and no small business loans in the assessment areas.

The volume of consumer loans in the Columbus (Franklin County) assessment area increased substantially from the prior CRA evaluation. During the prior evaluation period, just two loans were noted in the assessment area. During the current three-year combined evaluation period, we noted the origination of 89 loans.

We also noted an increase in lending in the Florida (Seminole County) assessment area as compared to the prior evaluation period. During the current combined three-year evaluation period, 21 consumer and one SBA loan was originated, compared to the prior evaluation period when eight consumer and no SBA loans were made.

In 2017, United made a community development loan in the amount of \$1 million inside the Columbus assessment area, which is described further below under the Columbus assessment area borrower-income distribution section.

State Rating

State of Ohio

CRA rating for Ohio: Satisfactory

- Lending to borrowers of different incomes within the Ohio assessment areas was reasonable.
- The overall distribution of loans by geographic income level is reasonable.
- A responsive community development loan for \$1 million was originated in the Columbus assessment area, where there is a significant need for affordable housing units.

Description of Institution's Operations in Ohio

Deposit operations in Ohio function in a traditional manner with most deposits obtained by personnel located in physical offices. Deposit market shares in both Ohio assessment areas are low, and the assessment areas are adequately served by other financial institutions. Competition from large banks in the Columbus assessment area is substantial. Loan operations in Ohio do not vary substantially from the overall description of operations also provided in the "Description of Institution" section above.

Scope of Evaluation in Ohio

United's performance in the Columbus assessment area received a full-scope review. Performance in the non-MA Ohio assessment area received a limited scope review. Performance in the Columbus assessment area received greater weight as 63.8 percent of Ohio deposits were from that assessment area. Refer to appendix A for more information regarding the Columbus assessment area.

Feedback received from community contacts was considered in our evaluation. Two affordable housing non-profits were contacted, both of which serve the city of Columbus.

Identified needs included the construction and rehabilitation of more affordable housing units, flexible mortgage products, and general operational support for community development organizations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OHIO

LENDING TEST

The bank's performance under the lending test is considered satisfactory. Based on our review, the bank's performance in the Columbus assessment area is reasonable. Performance in the Ohio Non-MA is not inconsistent with the performance in the Columbus assessment area.

Substantial performance context factors were also considered. During the review period, the bank was gradually emerging from substantial financial constraints. These constraints limited the bank's ability to supplement lending activity in the assessment areas above the amounts that are organically produced from its niche loan products, which have national distribution models. While total lending in both assessment areas is limited, the number of loans originated in the Columbus assessment area did increase substantially from the prior evaluation. In addition, management granted a large community development loan in 2017 in the Columbus assessment area. Competition from larger banks for SBA loans is substantial.

During both the 2015/2016 and 2017 evaluation periods, there was an insufficient number of small loans to businesses in both the Columbus and Ohio Non-MA assessment areas for meaningful analysis. Further, in 2017, there was an insufficient number of consumer loans for meaningful analysis.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Lending to borrowers of different incomes within the Ohio assessment areas is reasonable. Performance in the Columbus assessment area was adequate, in part due to the origination of a responsive community development loan which helped compensate for the poor loan distribution. Performance in the OH non-MA assessment area was not inconsistent with the performance in the Columbus assessment area, as the loan distribution was excellent and the community development lending opportunities less numerous.

See Table V below for lending activity by borrower-income level in both the Columbus and Ohio Non-MA assessment areas.

Columbus Assessment Area

United's distribution of consumer loans by borrower income in the Columbus MA is poor. The percentage of consumer loans was significantly below the percentage of low-income households and was well below the percentage of moderate-income households.

We considered the performance context factors of financial constraints, and the nature of the products limiting demand among low-income consumers; however, these were not considered

sufficient to describe the distribution as adequate. Rather, those factors prevented our borrower-income loan distribution from being very poor.

The lending performance in the Columbus assessment area was supplemented by the origination of a responsive community development loan for \$1 million. The loan was collateralized by the borrower, an affordable housing focused non-profit organization, assigning over to United a small portfolio of existing loans. By monetizing existing loans, this action enabled the non-profit to gain funding to construct additional housing units reserved for low-income residents. Management granted the loan at below market terms of Prime less 1.5 percent. The loan is responsive to the identified community need of additional affordable housing units. The loan equated to 4.6 percent of United's average tier 1 capital maintained over the three year review period.

We noted in our review that the number of low-income families (69,474) in Franklin County is significant and far greater than any of the bank's other assessment areas. Management's decision to provide a substantial community development loan in Franklin County is appropriate.

Geographic Distribution of Loans

United's overall distribution of loans by geographic income level is reasonable. The geographic distribution of consumer loans the Columbus assessment area is good. Performance in the Ohio Non-MA is not inconsistent with the performance in Columbus.

See Table U below for lending activity by geographic-income level in both the Columbus and Ohio Non-MA assessment areas.

Columbus Assessment Area

Given United's non-traditional business model, distribution of consumer loans in the Columbus assessment area is reasonable. The percentage of consumer loans was well below the percentage of households in low-income CTs, but exceeded the percentage of households in moderate-income CTs. We noted that the large majority of consumer loans are obtained through third party sources who have relationships with the product or service provider. Consequently, the bank's ability to effectively target a market based on geographic considerations is more limited than for a traditional bank.

Responses to Complaints

There were no CRA related complaints identified during the review period.

State Rating

State of Florida

CRA rating for the Florida: Satisfactory

- Based on the full-scope reviews, the bank's lending test performance in Seminole County assessment area is reasonable.
- Substantial performance context factors limited lending opportunities in Florida, and are described below under "Conclusions with Respect to Performance Tests in Florida," as well as under the "Description of Institution" section above.

Description of Institution's Operations in Florida

The bank's only office in Florida is in Lake Mary, a suburb of Orlando. The facility is in the Orlando-Kissimmee-Sanford MA, in an upper-income CT and is not located near any low- or moderate-income CTs.

Deposit operations in Florida function in a traditional manner with most deposits obtained by personnel located in the physical office. Loan operations in Florida do not vary substantially from the overall description of operations also provided in the "Description of Institution" section above. Competition from large banks in Seminole County is substantial. Per the June 30, 2018 FDIC report, United maintains only 0.48 percent deposit market share, ranking 25th out of 29 market participants.

There was too little volume during both evaluation periods for meaningful analysis in terms of either borrower-income or geographic-income distributions in the Seminole County assessment area. However, we noted that the modest volume generated by the loan distribution channels has increased from the previous evaluation. In the 2015/2016 evaluation period there were nine consumer loans. In the 2017 evaluation period, there were 12 consumer loans and one SBA loan. The previous CRA evaluation noted a total of eight consumer and no SBA loans in a two year period.

The increased consumer lending volume is due in part to new third party sources being established in Seminole County in 2017. The one SBA loan originated created three new jobs for low- or moderate-income persons.

Substantial performance context is noted in the Seminole County assessment area. The bank's financial constraints noted in the "Description of Institution" section are the most impactful.

Scope of Evaluation in Florida

United's performance in the Seminole County assessment area received a full-scope review, and is the only assessment area in the state. Refer to appendix C for more information regarding the Seminole County assessment area.

Feedback received from community contacts was considered in our evaluation. Two economic development organizations were contacted, both of which serve Seminole County. Identified needs included the construction, rehabilitation and financing of affordable housing, and small business lending. Financial institutions were noted as providing a satisfactory level of credit and appropriate products to area residents.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

Primarily due to financial constraints, the lending test is considered satisfactory.

We noted that there is a need for affordable housing in Seminole County, however, the number of low-income families in Seminole County is far lower (15,679) than in Franklin County (69,474). Thus, given the financial constraints present, management's decision to provide a large affordable housing loan in Franklin County rather than Seminole County is reasonable. Further, the lack of a full-time CRA Officer, and management's attempt to sell the facility during the review period, limited management's ability to identify risk-appropriate community development lending opportunities in Seminole County.

We also noted that just one of the 86 CTs, or 1.2 percent of CTs, in Seminole County is low-income, and only 0.5 percent of the total population resides in this CT. To a less severe extent, there is also limited ability to lend in the 12 moderate-income CTs, which represents 14.0 percent of all CTs and only 10.4 percent of the assessment areas population. United's lone office in the county is not near either the low- or any of the moderate-income CTs, and the bank's primary distribution mechanisms do not involve physical branches.

LENDING TEST

Primarily due to financial constraints and other performance context matters described above, the lending test is considered satisfactory.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

For both review periods, there was insufficient volume of consumer and small business lending for meaningful analysis.

Geographic Distribution of Loans

For both review periods, there was insufficient volume of consumer and small business lending for meaningful analysis.

Responses to Complaints

There were no CRA related complaints identified during the review period.

CONCLUSIONS FOR AREAS RECEIVING LIMITED-SCOPE REVIEWS

Because of bank's non-traditional business model and resultant high percentage of loans outside of its assessment areas, we also conducted a borrower-income distribution analysis in two of the bank's high volume states, California and Texas. Based on these limited scope reviews, the bank's performance under the lending test in both California and Texas is not inconsistent with the bank's overall satisfactory performance.

Given the significant performance context matters present regarding the bank's business model as described under the "Description of Institution" section, performance in both states represented adequate or better lending patterns to low- and moderate-income borrowers and businesses of \$1 million or less in annual revenues.

See Tables R and V below for lending activity by borrower-income level in both California and Texas.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test: (01/01/15 to 12/31/17)	
Financial Institution		Products Reviewed
United Midwest Savings Bank (United or Bank) De Graff, OH		Small Business and Consumer Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Ohio Columbus MA #18140 Ohio non-MA #NA	Full-Scope Limited-Scope	Franklin County Champaign, Darke, Logan, and Preble Counties
Florida Orlando-Kissimmee-Sanford MA #36740	Full-Scope	Seminole County

Appendix B: Summary of State Ratings

RATINGS	BANK NAME
Overall Bank:	Satisfactory
BANK NAME	United Midwest Savings Bank
State:	
Ohio	Satisfactory
Florida	Satisfactory

Appendix C: Community Profiles for Full-Scope Areas

State of Ohio

Columbus MA Assessment Area

Table A – Demographic Information of the Assessment Area						
Assessment Area: United Midwest Columbus MA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	284	21.1	26.4	26.1	25.7	0.7
Population by Geography	1,163,414	15.6	23.0	30.4	30.4	0.6
Housing Units by Geography	523,581	17.6	23.7	30.7	27.9	0.0
Owner-Occupied Units by Geography	262,478	8.0	20.4	33.2	38.4	0.0
Occupied Rental Units by Geography	195,321	25.4	26.7	30.1	17.8	0.0
Vacant Units by Geography	65,782	32.9	28.1	22.7	16.3	0.0
Businesses by Geography	80,259	11.5	21.1	28.9	38.0	0.5
Farms by Geography	1,391	9.0	17.1	33.3	40.5	0.1
Family Distribution by Income Level	270,541	23.8	17.4	20.4	38.4	0.0
Household Distribution by Income Level	457,799	26.0	16.9	18.2	38.9	0.0
Median Family Income MA – 18140 Columbus, OH MA		\$64,914	Median Housing Value			\$158,136
			Median Gross Rent			\$759
			Families Below Poverty Level			12.1%

Source: 2010 ACS Census and 2016 D&B Data
 Due to rounding, totals may not equal 100.0
 (*) The NA category consists of geographies that have not been assigned an income classification.

Table A – Demographic Information of the Assessment Area						
Assessment Area: United Midwest Columbus MA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	284	21.5	26.8	24.3	26.4	1.0
Population by Geography	1,215,761	14.7	26.2	26.6	31.4	1.1
Housing Units by Geography	536,811	16.4	26.7	26.6	30.0	0.3
Owner-Occupied Units by Geography	258,868	7.7	22.6	29.4	40.3	0.0
Occupied Rental Units by Geography	222,078	21.8	30.7	25.5	21.5	0.5
Vacant Units by Geography	55,865	35.4	29.4	18.3	16.2	0.7
Businesses by Geography	83,124	12.1	20.3	25.1	41.8	0.7
Farms by Geography	1,468	9.6	19.5	30.5	40.2	0.2
Family Distribution by Income Level	279,594	24.8	17.5	19.0	38.7	0.0
Household Distribution by Income Level	480,946	26.2	17.1	17.6	39.2	0.0
Median Family Income MA - 18140 Columbus, OH MA		\$70,454	Median Housing Value			\$153,452
			Median Gross Rent			\$852
			Families Below Poverty Level			12.8
<i>Source: 2015 ACS Census and 2017 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Columbus, OH MA assessment area has been defined as Franklin County, Ohio. Three of the bank's offices are located in Franklin County. There are nine other counties in the MA. The data in the tables immediately above is for Franklin County only. Franklin County is home to the city of Columbus and is larger in population than all other counties in the assessment area combined.

Franklin County consists of 284 CTs. Of the 284 CTs, 21.5 percent are low-income, 26.8 percent are moderate-income, 24.3 percent are middle-income, and 26.4 percent are upper-income. Approximately 12.8 percent of families in the county live below the poverty level. Per 2015 American Community Survey (ACS) data, there were 69,474 low-income families in Franklin County.

The Columbus MA is the 32nd largest MA in the United States and is the second largest in the state of Ohio. Based on ACS data, the population of Franklin County increased by 4.5 percent from 2010 to 2015, far greater than the state of Ohio, which only grew by 0.6 percent during that period. The U.S. Census Bureau's annual population estimates have indicated additional population growth since the 2015 ACS data release. Banking competition is strong and is skewed toward large banks. The five largest competitors are: Huntington; JPMorgan Chase; PNC; Fifth Third; and Key.

Economic conditions in the assessment area improved during the current CRA evaluation period. According to the Bureau of Labor Statistics, Franklin County had an unemployment rate of 4.9 percent in January 2015. Unemployment declined to 3.8 percent by October 2018. These figures are below the state unemployment average of 6.1 percent in January 2015 and 4.3 percent in October 2018. Major employers include Ohio State University, JP Morgan Chase, Nationwide Insurance, several large hospitals, Honda, Huntington, Kroger, and L Brands.

In a June 2018 report, Moody's Analytics indicated that Columbus will add the most net new jobs of any Ohio metropolitan area in both 2018 and 2019, underpinned by robust gains in professional, financial and health services. Superior demographics, including a highly educated workforce, will allow Columbus to outpace Ohio, and the nation, in long-term job and income growth.

State of Florida

Orlando-Kissimmee-Sanford MA Assessment Area

Table A – Demographic Information of the Assessment Area						
Assessment Area: Untied Midwest Orlando FL 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	86	1.2	8.1	34.9	55.8	0.0
Population by Geography	422,718	0.9	5.6	37.6	55.9	0.0
Housing Units by Geography	178,326	0.9	6.4	40.8	51.8	0.0
Owner-Occupied Units by Geography	108,894	0.2	4.1	35.7	60.0	0.0
Occupied Rental Units by Geography	43,788	2.4	10.5	49.7	37.4	0.0
Vacant Units by Geography	25,644	1.3	9.3	47.4	42.0	0.0
Businesses by Geography	51,112	0.5	5.0	35.4	59.1	0.0
Farms by Geography	1,300	0.3	5.5	39.3	54.9	0.0
Family Distribution by Income Level	103,419	15.1	14.7	19.7	50.5	0.0
Household Distribution by Income Level	152,682	18.1	15.2	18.2	48.5	0.0
Median Family Income MA – 36740 Orlando-Kissimmee-Sanford, FL MA		\$58,474	Median Housing Value			\$249,048
			Median Gross Rent			\$1,046
			Families Below Poverty Level			6.6%
<i>Source: 2010 U.S. Census and 2016 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: United Midwest Orlando FL MA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	86	1.2	14.0	36.0	48.8	0.0
Population by Geography	437,346	0.5	10.4	34.8	54.3	0.0
Housing Units by Geography	184,374	0.7	12.3	36.7	50.3	0.0
Owner-Occupied Units by Geography	102,912	0.2	9.1	31.4	59.3	0.0
Occupied Rental Units by Geography	49,348	1.3	15.2	45.1	38.4	0.0
Vacant Units by Geography	32,114	1.5	18.3	40.8	39.4	0.0
Businesses by Geography	56,514	0.5	8.3	33.8	57.4	0.0
Farms by Geography	1,449	0.4	12.2	32.4	55.0	0.0
Family Distribution by Income Level	101,235	15.5	15.0	18.6	50.9	0.0
Household Distribution by Income Level	152,260	18.7	15.1	17.1	49.1	0.0
Median Family Income MA – Orlando-Kissimmee-Sanford, FL MA		\$57,304	Median Housing Value			\$180,984
			Median Gross Rent			\$1,100
			Families Below Poverty Level			8.3%
<i>Source: 2015 ACS Census and 2017 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

United has one branch in Florida, which is located in the city of Lake Mary. Management has identified all of Seminole County as its assessment area in Florida. Lake Mary is located in the Orlando-Kissimmee-Sanford MA.

The Seminole County assessment area consists of 86 CTs. Of the 86 CTs, just 1.2 percent are low-income, 14.0 percent are moderate-income, 36.0 percent are middle-income, and 48.8 percent are upper-income. Roughly 8.3 percent of households live below the poverty line. Per 2015 ACS data, there were 15,679 low-income families in Seminole County, which is 15.5 percent of families. In contrast, approximately 50.9 percent of families are upper-income.

Banking competition is strong. According to the FDIC, at June 30, 2018, United had 0.48 percent of the market share or \$44.2 million in deposits. The five largest competitors were: Bank of America; SunTrust; Wells Fargo; JPMorgan Chase; and Fifth Third. All are national or regional banks.

Economic conditions in the assessment area have improved during the current CRA evaluation period. According to the Bureau of Labor Statistics, Seminole County's unemployment rate in January 2015 was 5.6 percent and decreased to 2.6 percent by October 2018. This is below the state unemployment rate during this period, which also declined from 5.8 percent in January 2015, to 3.4 percent at October 2018. An ACS survey conducted on July 1, 2017 estimated that Seminole County's population has grown to 462,659, a significant increase of 5.8 percent in just two years. Major employers include local schools and hospitals, Fiserv, Chase Bankcard Services, and Converg's.

Moody's Analytics recently assessed the Orlando-Kissimmee-Stanford MA as being at full-employment, with continued population growth expected. The MA's strengths also include natural and historical advantages for tourism and ample job opportunities in services. Weaknesses noted include sensitivity to national and international economic conditions and high volatility in employment.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data is compiled by the FDIC and is available as of June 30th of each year. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** – Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households throughout those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** – Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/assessment area.

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography-Ohio													2015-16	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Columbus	75	469	75.0	15.4	5.0	23.1	25.0	31.9	20.0	29.6	50.0	0.0	0.0	
Ohio Non-MA	25	151	25.0	0.0	NA	13.0	0.0	67.7	95.0	19.3	5.0	0.0	0.0	
Total	100	620	100.0	-.-	-.-	-.-	-.-	-.-	-.-	-.-	-.-	-.-	-.-	

*Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data. "--" data not available.
Due to rounding, totals may not equal 100.0*

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower-Ohio													2015-16	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Columbus	75	469	75.0	26.0	0.0	16.9	5.0	18.2	25.0	38.9	70.0	0.0	0.0	
OH Non-MA	25	151	25.0	19.9	25.0	15.7	25.0	19.1	20.0	45.3	30.0	0.0	0.0	
Total	100	620	100.0	-.-	-.-	-.-	-.-	-.-	-.-	-.-	-.-	-.-	-.-	

*Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data. "--" data not available.
Due to rounding, totals may not equal 100.0*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues-California												2017
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
California	30	7,756	100.0	7,756	86.2	85.0	52.0	5.7	15.0	8.0	0.0	

*Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0
Lending in the State of California was evaluated as one Assessment Area.*

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower-California													2015-16
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
California	1,681	12,813	100.0	24.4	11.5	16.0	19.5	17.5	26.8	42.1	42.2	0.0	0.0

*Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data.
Due to rounding, totals may not equal 100.0
Lending in the State of California was evaluated as one Assessment Area.*

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower-California													2017
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
California	1,593	7,290	100.0	25.3	7.3	15.6	18.6	16.7	23.9	42.5	50.2	0.0	0.0

*Source: 2010 U.S. Census; 01/01/2017 - 12/31/2017 Bank Data.
Due to rounding, totals may not equal 100.0
Lending in the State of California was evaluated as one Assessment Area.*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues-Texas 2017

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Texas	37	9,294	100.0	9,294	84.5	95.0	45.7	5.3	5.0	10.2	0.0

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data.
 Due to rounding, totals may not equal 100.0
 Lending in the State of Texas was evaluated as one Assessment Area.

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower-Texas 2015-16

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Texas	734	6,651	100.0	24.1	5.2	16.3	11.2	17.4	23.6	42.1	60.1	0.0	0.0

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data.
 Due to rounding, totals may not equal 100.0
 Lending in the State of Texas was evaluated as one Assessment Area.

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower-Texas 2017

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Texas	778	3,658	100.0	24.5	4.9	16.1	12.1	17.3	19.8	42.2	63.2	0.0	0.0

Source: 2010 U.S. Census; 01/01/2017 - 12/31/2017 Bank Data.
 Due to rounding, totals may not equal 100.0
 Lending in the State of Texas was evaluated as one Assessment Area.