



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

FEBRUARY 22, 2000

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

NATIONAL CITY BANK OHIO  
CHARTER NUMBER: 786

1900 East 9<sup>th</sup> Street  
Cleveland, OH 44101

OFFICE OF THE COMPTROLLER OF THE CURRENCY  
LARGE BANK DIVISION  
250 "E" STREET, S.W.  
WASHINGTON, D.C. 20219

**NOTE:** 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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## General Information

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of **National City Bank (NCB-OH)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **February 22, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development (CD)** - Affordable 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.

**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.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Limited-Scope 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, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction. A Consolidated Metropolitan Area (CMSA) occurs when one or more contiguous MSAs are combined for statistical purposes.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries. Pro-rated Tier I Capital is obtained by distributing portions of Total Tier I capital among the bank's assessment areas. This distribution is based on the level of deposits in each area.

**Upper-Income** - Income levels that are 120% or more of the MFI.

# Overall CRA Rating

**Institution's CRA Rating:** This institution is rated "**Outstanding.**"

The following table indicates the performance level of **National City Bank (NCB-OH)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	National City Bank (NCB-OH) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending activity is excellent. Geographic distribution is good. Borrower distribution is excellent. Community development lending is excellent.
- The bank's volume of qualified investments is good; the investments show a very high level of responsiveness to identified needs for affordable housing and economic development. In addition, many of the bank's qualified investments are either innovative or complex.
- The distribution of branch offices is good, as delivery systems are accessible to geographies and individuals of different income levels in the assessment area. The bank provides an excellent level of community development services, and is considered a leader. Community services are highly responsive to the needs of the communities.

## Description of Institution

National City Bank (NCB-OH), headquartered in Cleveland, Ohio, is a wholly owned subsidiary of National City Corporation (NCC), which is headquartered in Cleveland, Ohio. As of September 30, 1999, NCC had total assets of \$85 billion, making it the twelfth largest bank holding company in the United States. NCC provides a full range of consumer and commercial financial products and services and operates banking offices in 6 states: Illinois, Indiana, Kentucky, Michigan, Ohio, and Pennsylvania. The Corporation operates more than 1,200 branch offices and 1,800 ATM's. NCC is one of the five top originators of federally guaranteed student loans in the country, and is the fifth largest originator of small business loans.

As of September 30, 1999, NCB-OH reported total assets of \$33 billion, total loans of \$23.9 billion, and a loan-to-deposit ratio of 140%. Tier 1 capital totals \$2.07 billion. NCB-OH operates 346 branch offices and 643 deposit-taking automatic teller machines (ATM's) throughout the state of Ohio. As of September 30, 1999, NCB-OH's loan portfolio consisted of 33% real estate loans, 35% commercial loans, 25.5% consumer loans, and 6.5% other loans.

In determining the size and capacity of NCB-OH for CRA evaluation purposes, none of the bank's operating subsidiaries contributes to the CRA performance of the bank. It is important to note that during the review period, five separately chartered National City Banks located throughout the State of Ohio were consolidated into one state charter. The consolidation was completed during February 1998.

There were five affiliated, non-bank entities and four bank entities that contributed favorably to the bank's CRA performance. Refer to Appendix A for identification of the entities and the activities they contributed.

Throughout the review period, there were no significant financial barriers limiting NCB-OH's ability to meet identified credit needs within its assessment areas.

There are several competitive pressures that impede NCB-OH's ability to meet identified credit needs. The bank operates in a number of low-income communities that are dominated by very aggressive national subprime mortgage lenders. Some of these subprime lenders routinely accept high levels of risk by extending loans to borrowers with severe historical and/or current credit problems. Many national banks, including NCB-OH implement controls that limit risk within their loan portfolios. This is consistent with safe and sound banking practices, but restricts the bank's ability to favorably compete with aggressive subprime lenders.

In addition, NCB-OH operates in a limited number of low-income communities that are dominated by one or more financial institutions that have opted to price home mortgage loans below market rates. The practice is common among banks that have strong financial capacity, and are seeking to establish or expand market share in targeted communities. NCB-OH's current financial structure does not allow the bank to compete at below market rates.

At present, NCB-OH's market area consists of 11 Metropolitan Statistical Areas (MSAs) and five assessment areas in non-metropolitan parts of the state. All of the assessment areas are within the state of Ohio. The bank's assessment areas include:

- 1) The entire Cleveland-Akron CMSA with the exception of Ashtabula County, where the bank has no branches
- 2) The entire Columbus MSA,
- 3) The entire Toledo MSA,
- 4) The entire Dayton MSA,
- 5) The entire Youngstown MSA
- 6) The entire Canton MSA
- 7) Richland County in the Mansfield MSA
- 8) Jefferson County in the Steubenville multi-state MSA
- 9) Lawrence county in the Huntington multi-state MSA
- 10) Three census tracts within Warren County in the Cincinnati multi-state MSA
- 11) Belmont County in the Wheeling multi-state MSA
- 12) A four county wide area in the central portion of the state which includes: Hardin, Logan, Marion, and Union
- 13) A six county-wide area in the north central portion of the state which includes Ashland, Erie, Huron, Ottawa, Sandusky, and Seneca
- 14) Henry and Williams counties
- 15) An eight county-wide area near the eastern edge of the state which includes Coshocton, Guernsey, Harrison, Hocking, Knox, Muskingum, Perry, and Tuscarawas counties
- 16) A five countywide area in the southern portion of the state which includes Clinton, Fayette, Ross, Jackson, and Scioto counties.

Since the previous examination in December 1996, Crawford County was deleted from the Mansfield MSA because NCB-OH's branch there was sold to another financial institution. The branch sale was considered effective as January 1, 1997 and was not considered as part of this evaluation.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The last evaluation of the bank is dated December 31, 1996. The bank's CRA performance was rated Outstanding. This evaluation assesses the bank's performance from January 1, 1997 to September 30, 1999. The Lending Test included a review of home purchase loans, home-improvement loans, refinanced loans, community development loans, and small business/farm loans. HMDA and community development loan data was considered for the entire evaluation period. Small business/farm data was considered from January 1, 1999 through September 30, 1999. Small business/farm data for 1997 and 1998 was deemed unreliable, and was not included in this evaluation. See the Data Integrity section of this Performance Evaluation for further details.

It is important to note that although the CRA regulation allows banks to receive credit for loans or pools of loans purchased from other financial institutions, NCB-OH's lending efforts center on loans originated directly by the bank and its affiliates. The bank has negligible external purchased loan activity. NCC affiliates do, however, purchase and sell loans from each other to expedite their ability to sell packages of loans to the secondary market. As dictated by HMDA reporting requirements, NCB-OH and its affiliates report loans purchased from other NCC affiliates as 'purchased loans'. The purchased loans represent a material portion of the reported home mortgage loan data. For the review period, approximately 24% of Home Purchase and 34% of Home Refinance activity is represented by purchased loans. While the standard Performance Data tables in Appendix C include loans originated and purchased, we determined that NCB-OH's home mortgage performance is more accurately reflected by originated loan activity. Therefore, our primary geographic distribution and borrower distribution analyses of the full-scope assessment area are based on adjusted loan data that excludes purchased loan activity. In general, NCB-OH performance is stronger using this approach, with the impact more prominent under the Borrower Distribution criteria.

The evaluation period for the Investment Test is January 1, 1997 through February 22, 2000. The evaluation period for the Service Test is January 1, 1997 through September 30, 1999. Community development investments, community development services, retail banking locations, and retail banking services were reviewed in connection with these tests.

### Data Integrity

The scope of this examination included a review of the accuracy of the bank data analyzed to develop our conclusions and ratings. The data tested for accuracy includes data made available to the public in accordance with the Home Mortgage Disclosure Act (HMDA) and the CRA regulation. Public data includes home mortgage lending and small loans to businesses/farms. We also reviewed the accuracy of non-public data for qualified investments, community development services, and community development loans. The tests were performed at the corporate level and included all National City affiliated banks, and subsidiaries and non-bank affiliates contributing to the bank's CRA performance. As a result, the percentages quoted here would be for the entire corporation, and may vary for a particular National City subsidiary bank.

The bank's HMDA data was found to be accurate. No material errors were identified with the home purchase, home improvement, or refinance loans reported by the bank.

Several errors were found in the bank's small loans to business/farm data submissions for the review period. Material errors noted were:

- Renewals were incorrectly reported as loans. Renewals represented 20% of the loans in our sample.
- Revenue data was in error in 5% of our sample.
- Loans secured by residential real estate were incorrectly reported as loans. These types of loans represented 5% of our sample.

Bank management was able to correct data for the period covering January 1, 1999 through September 30, 1999, but was unable to correct 1997 and 1998 data. As a result, our small business/farm analysis will be limited to the bank's performance during 1999.

Material errors were noted with the non-public information provided to examiners regarding community development loans. A number of loans to small businesses were incorrectly included in the community development loan totals. Management was unable to identify or remove these loans from the data provided to examiners because of time and financial constraints. Loans to small businesses accounted for 15% of our sample. Many of these loans have community development as their primary purpose. We excluded these small business loans from our Community Development loan totals.

### **Selection of Areas for Full-Scope Review**

We selected a sample of bank assessment areas for full-scope reviews and the remaining assessment areas were reviewed in a more limited manner. The data contained in the tables in Appendix C was evaluated for each bank assessment area and this data was factored into our conclusions. However, for full-scope assessment areas, additional information was developed concerning credit and community development needs, and opportunities for community development activities. The analysis of the bank's performance in full-scope areas was expanded to include a detailed analysis of the geographic distribution of lending. Also, individual community development loans, services, and qualified investments were reviewed to assess qualitative factors such as complexity, innovation, leadership, and responsiveness to identified needs. The Service Test included an analysis of the location of bank branches to gauge accessibility.

Assessment areas receiving full scope reviews were Cleveland/Akron, which contains 56% of the bank's deposits, Columbus (13% of deposits), and Dayton (9% of deposits). All three areas are Metropolitan Statistical Areas (MSA).

The following assessment areas received limited-scope reviews: Youngstown (5% of deposits), Toledo (4% of deposits), Steubenville (1% of deposits), Canton (1% deposits), Wheeling (< 1% of deposits), Mansfield (< 1% of deposits), Huntington (< 1% of deposits), and Cincinnati (< 1% of deposits). All of these areas are MSA's. In addition, the following non-metropolitan assessment areas received limited-scope reviews: Northwest Ohio (1% of deposits), Central Ohio (1% of deposits), North Ohio (3% of deposits), Eastern Ohio (3% of deposits), and Southern Ohio (2% of deposits). Conclusions for non-metropolitan areas were combined for purposes of this review.

## **Ratings**

The bank's overall rating is based primarily on the MSAs that received full-scope reviews. After analyzing available data, we determined that some full scope areas would be more heavily weighted than others would. This determination was based on a review of the volume and concentration of branches, HMDA loans, low- and moderate-income tracts and families, population, owner occupied housing units, and small businesses and farms. The volume and concentration of bank deposits was also considered during our analysis. We used data from the Federal Deposit Insurance Corporation, which included both retail and commercial deposits. In addition, we used retail deposit data that was obtained from NCB-OH management reports.

As a result of our analysis we determined that the Cleveland/Akron CMSA would be more heavily weighted than the Columbus and Dayton MSAs.

## **Other**

We contacted 15 community groups in the Cleveland area, 18 groups in the Columbus area, and nine groups in the Dayton area. In addition, we contacted seven groups that operate throughout the State of Ohio. These contacts were conducted via forums that were held in major cities within each MSA, and involved a cross section of political, housing, economic development, and social service groups. We contacted these groups in order to ascertain community credit needs

Specific needs within the full scope assessment areas are addressed in Appendix B of this report.

## **Fair Lending Review**

As part of our fair lending analysis we performed a comparative file review of 226 home purchase applications that were received by National City Mortgage Company (NCMC) during 1998. The Mortgage Company receives applications from all six states where NCC has branch offices, including Ohio. The approval/denial process utilized is identical for all applications. Applicant race was used as the prohibitive basis. We compared 53 denied applications made by Blacks to 173 marginally approved applications made by Whites.

Our analysis did not identify any violations of the anti-discrimination laws and regulations. NCMC continues to implement an ongoing fair lending monitoring system. The system consists of adequate policies and procedures, periodic training, and internal assessments.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated Outstanding. Based on full-scope reviews, the bank's performance is excellent in both the Cleveland/Akron CMSA and the Columbus MSA, and it is good in the Dayton MSA.

#### Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

During the review period, home mortgage loans accounted for approximately 88% of NCB-OH's loans in the Cleveland/Akron CMSA, 93% in the Columbus MSA, and 91% in the Dayton MSA. Small loans to businesses comprise the substantial majority of the remaining loans. Based on this data, throughout our analysis, we gave the greatest consideration to home mortgage loans. Small farm lending is not a major component of the bank's activities. It represents less than 1% of total reported loans in any of the three full scope areas.

Of the total home mortgage loans made by the bank in the Cleveland/Akron CMSA, approximately 34% were Home Purchase, 40% Home Refinance, and 26% Home Improvement. Of the total home mortgage loans made in the Columbus MSA, 35% were Home Purchase, 42% Home Refinance, and 23% Home Improvement. Of the total home mortgage loans made in the Dayton MSA, 46% were Home Purchase, 32% Home Refinance, and 22% Home Improvement. Based on these percentages, and identified credit needs for affordable housing, particularly homeownership and housing rehabilitation in all three assessment areas (AAs), we gave equal consideration to home purchase, refinance, and home improvement loans.

NCB-OH's lending activity is excellent. Performance is good in Cleveland/Akron, and excellent in Columbus and Dayton. During 1998, NCB-OH was ranked second in deposit market share in Cleveland/Akron (16.5%), fourth in Columbus (9.4%), and third in Dayton (14.4%). In all three markets, NCB-OH was among the top four lenders in all mortgage categories. Specifically, in Home Purchase lending NCB-OH ranked third in Cleveland/Akron, second in Columbus, and first in Dayton, with market shares of 4.6%, 5.8%, and 14.6%, respectively.

In Home Refinance lending, the bank ranked fourth in Cleveland/Akron, first in Columbus, and second in Dayton, with market shares of 4.9%, 7.3%, and 8.7%,

respectively. Finally, in Home Improvement lending, NCB-OH ranked first in all three areas, and had market shares of 18.8%, 24.4%, and 23.3%, respectively.

Note that throughout our analysis, NCB-OH's percentage distribution of lending compared to demographics was given more weight than the market share information. The reason for this emphasis is that the distribution of lending information covers the bank's activity in 1997, 1998 and the first three quarters of 1999, compared to market share information which only reflects 1998 activity.

### **Distribution of Loans by Income Level of the Geography**

The overall geographic distribution of NCB-OH's home mortgage and small loans to businesses and farms is good. This conclusion is based on excellent performance in the Cleveland/Akron CMSA, good performance in the Columbus MSA, and adequate performance in the Dayton MSA.

The distribution of Home Purchase loans is good, Home Refinance distribution is adequate, and Home Improvement distribution is excellent. The distribution of Small Loans to Businesses is excellent. Loan penetration throughout all three full scope areas was excellent, and a majority of loans were made within the bank's assessment areas (AAs).

#### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in Appendix C for standardized data regarding the geographic distribution of the bank's home mortgage loan originations and purchases. As previously explained in the Scope of Evaluation, we used adjusted loan data to conduct our geographic distribution analysis. This data focuses only on loan originations. The following narrative contains the specific facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

Note that in the Columbus and Dayton MSAs more weight is placed on performance in moderate-income tracts, since those areas comprise a significantly larger market than low-income areas. However in the Cleveland/Akron area low- and moderate-income (LMI) geographies were given equal weight because those areas comprise market areas of substantially the same size.

#### ***Home Purchase***

NCB-OH's distribution of Home Purchase loans is good. Performance is excellent in Cleveland/Akron, good in Columbus, and adequate in Dayton. The distribution of Home Purchase loans in the Cleveland/Akron CMSA is excellent because NCB-OH's performance in LMI geographies exceeds demographics. In addition, the bank's

market share performance, especially in low-income tracts was stellar, given that market share in these areas more than doubled overall Home Purchase market share. In addition, during 1998 while the aggregate market extended 3.33% of its loans within low-income geographies, and 10.15% within moderate-income geographies, NCB-OH extended 7.41% and 14.32% of its loans within these geographies, respectively. The following information further details our findings and conclusions relative to Home Purchase loan distribution.

In the Cleveland/Akron CMSA, the percentage of NCB-OH's Home Purchase loans made in low- (7.1%) and moderate-income geographies (14.59%) exceeds the percentage of owner-occupied housing units in those geographies (4.49% and 11.38%, respectively). NCB-OH's market share in low- (10.43%) and moderate-income geographies (6.6%) exceeds the overall Home Purchase market share of 4.69%.

The distribution of Home Purchase loans in the Columbus MSA is good. The bank's performance in low- income tracts is poor relative to demographics, and it is adequate in moderate-income tracts. NCB-OH's performance in moderate-income tracts was enhanced by excellent market share distribution. In addition, during 1998 while the aggregate market extended 11.41% of its loans within moderate-income tracts, NCB-OH made 11.72% of its loans within these tracts during the same period. This was given positive consideration. We also considered input from several community groups that indicated the ability of banks to extend home mortgage loans within LMI communities had been impeded by ownership issues, high housing costs, and the existence of very aggressive subprime lenders. Contacts referred to these lenders as "predatory". NCB-OH bank management states that they are unable to compete with these lenders because of financial constraints, and safety and soundness concerns. Finally, we factored in the effect of low-owner occupancy within low-income tracts (4%). Many of the homeowners do not live within the State of Ohio and are not motivated to sell their properties. Refer to the Community Profile in Appendix C for details. The following information further details our findings and conclusions relative to Home Purchase loan distribution.

In the Columbus MSA, the percentage of NCB-OH's Home Purchase loans made in low-income geographies (1.74%) is less than the percentage of owner-occupied housing units in those geographies (3.72%). The percentage of loans made in moderate-income geographies (12.32%) is somewhat less than the percentage of owner-occupied housing units in those areas (16.34%). NCB-OH's market share in low-income geographies (2.42%) is less than its overall Home Purchase market share (5.30%). The bank's market share in moderate-income geographies (5.45%) exceeds its overall Home Purchase market share.

Finally, in the Dayton MSA, the distribution of Home Purchase loans is adequate.

The bank's performance in LMI tracts is poor relative to demographics. However, we noted that home purchase opportunities within low-income geographies were negatively impacted by costly environmental cleanups. There are an abundance of vacant or dilapidated homes within LMI tracts that are available for purchase from property owners or municipalities. However, the high cost of environmental cleanups and rehabilitation has made the homes less marketable. See Appendix C for details. This was factored into our analysis. However, a rating higher than adequate was not warranted because during 1998 while the aggregate market extended 2.34% of its loans within low-income areas, and 10.43% within moderate-income areas, NCB-OH lagged the market and extended only 1.53% and 9.02% of its loans within these areas, respectively. Finally, we gave positive consideration to the bank's good market share distribution within moderate-income tracts.

In the Dayton MSA, the percentage of NCB-OH's Home Purchase loans made in low- (1.72%) and moderate-income geographies (9.03%) is less than the percentage of owner-occupied housing units in those geographies (4.05% and 13.58%, respectively). NCB-OH's market share in low-income geographies (11.43%) is less than its overall Home Purchase market share of 17.43%. The bank's market share in moderate-income geographies (15.08%) is near its overall Home Purchase market share.

### ***Home Refinance***

The bank's distribution of Home Refinance loans is adequate. Performance is adequate in Cleveland/Akron and Columbus, and is poor in Dayton.

The distribution of Home Refinance loans in the Cleveland/Akron CMSA is adequate. Performance relative to demographics is adequate in low-income geographies, and is good in moderate-income geographies. The performance was negatively impacted by poor market share distribution. The following information further details our findings and conclusions relative to Home Refinance loan distribution.

In the Cleveland/Akron CMSA, the percentage of NCB-OH's Home Refinance loans made in low- income geographies (3.25%) is somewhat less than the percentage of owner-occupied housing units in those areas. The percentage of loans made in moderate-income geographies (9.24%) is near the percentage of owner-occupied housing units in those geographies. NCB-OH's market share in low-income geographies (1.99%) is less than the overall Home Refinance market share of 3.9%. The bank's market share in moderate-income geographies (2.59%) is somewhat less than the overall Home Refinance market share.

The distribution of Home Refinance loans in the Columbus MSA is adequate. The

bank's performance in LMI tracts is poor relative to demographics. However, NCB-OH's performance in moderate-income tracts was enhanced by adequate market share distribution. In addition, we factored in the effect of some of the impediments detailed earlier, specifically the existence of very aggressive subprime lenders. The following information further details our findings and conclusions relative to Home Refinance loan distribution.

In the Columbus MSA, the percentage of NCB-OH's Home Refinance loans made in low- (1.79%) and moderate-income geographies (8.8%) is less than the percentage of owner-occupied housing units in those geographies. NCB-OH's market share in low-income geographies (2.56%) is less than its overall Home Refinance market share (5.64%). The bank's market share in moderate-income geographies (4.01%) is somewhat less than its overall Home Refinance market share.

Finally, in the Dayton MSA, the distribution of Home Refinance loans is poor. The bank's performance in LMI tracts is poor relative to both demographics and market share. The percentage of NCB-OH's Home Refinance loans made in low- (1.55%) and moderate-income geographies (7.35%) is less than the percentage of owner-occupied housing units in those geographies. In addition, the bank's market share in low-income geographies (2.63%) is significantly less than its overall Home Purchase market share of 9.05%. The bank's market share in moderate-income geographies (5.59%) is somewhat less than its overall Home Refinance market share.

### ***Home Improvement***

The bank's distribution of Home Improvement loans is excellent. Performance is excellent in Cleveland/Akron, Columbus and Dayton.

The distribution of Home Improvement loans in the Cleveland/Akron CMSA is excellent. The percentage of NCB-OH's Home Improvement loans made in low- (8.36%) and moderate-income (18.94%) geographies exceeds the percentage of owner-occupied housing units in those areas. NCB-OH's market share in low- (17.20%) and moderate-income geographies (17.78%) is near the overall Home Improvement market share of 19.53%.

The distribution of Home Improvement loans in the Columbus MSA is excellent. The percentage of NCB-OH's Home Improvement loans made in low- (4.20%) and moderate-income geographies (19.99%) exceeds the percentage of owner-occupied housing units in those areas. NCB-OH's market share in low- income geographies (25.09%) is near the overall Home Improvement market share of 25.77%. The bank's market share in moderate-income geographies (27.51%) exceeds the overall Home Improvement market share.

The distribution of Home Improvement loans in the Dayton MSA is excellent. The percentage of NCB-OH's Home Improvement loans made in low- (4.77%) and moderate-income geographies (14.86%) exceeds the percentage of owner-occupied housing units in those areas. NCB-OH's market share in low- (20.65%) and moderate-income geographies (23.35%) is near the overall Home Improvement market share of 23.8%.

### ***Small Loans to Businesses***

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. Performance is excellent in Cleveland/Akron, good in Columbus, and excellent in Dayton.

In the Cleveland/Akron CMSA, the percentage of loans NCB-OH made in low-income geographies is good because it is near the percentage of businesses that are within those geographies. In addition, the bank had excellent performance in moderate-income geographies where the percentage of loans made in moderate-income geographies exceeds the percentage of businesses in those geographies.

In the Columbus MSA, the percentage of loans NCB-OH made in low-income geographies is excellent given that it exceeds the percentage of businesses that are in those geographies. However, the bank's performance in moderate-income geographies is only adequate, because the percentage of loans the bank made in those geographies is somewhat less than the percentage of businesses that are in those geographies. Given that a relatively higher number of businesses are located in moderate-income tracts than in low-income tracts, more weight was placed on moderate-income performance.

In the Dayton MSA, the percentage of loans NCB-OH made in LMI geographies is excellent because it exceeds the percentage of businesses that are within those geographies.

### ***Small Loans to Farms***

Table 6 in Appendix C details the facts and data relative to the geographic distribution of the bank's origination/purchase of small loans to farms.

The volume of farm loans in the three full scope areas was nominal, and as a result, a meaningful analysis could not be performed.

### ***Lending Gap Analysis***

Reports detailing NCB-OH's home mortgage lending were reviewed to identify gaps in geographic distribution. During the review period, NCB-OH had excellent penetration throughout all three full scope areas. Loans were originated in all but one of the populated census tracts in the Cleveland/Akron CMSA, and the Columbus MSA. Loans were originated in all of the populated census tracts in the Dayton MSA; this computes to a penetration rate of 99.9%, 99.7%, and 100%, respectively. With only nine months of small loans to businesses and farm data available, our review of lending patterns for these activities was limited. No conspicuous gaps in lending patterns were detected in any product lines.

### ***Inside/Outside Ratio***

The inside/outside ratio was calculated on a statewide basis and does not include any affiliate lending.

NCB-OH has done an excellent job of serving borrowers within its defined assessment areas. During the review period, 88% of the bank's home mortgage loans, and 95% of small loans to businesses and farms were made within NCB-OH's AAs.

### **Distribution of Loans by Income Level of the Borrower**

The overall distribution of NCB-OH's home mortgage and small loans to businesses based on the income levels of the borrowers is excellent. This conclusion is based on excellent performance in the Cleveland/Akron CMSA, good performance in the Columbus MSA, and excellent performance in Dayton.

The borrower distribution of Home Purchase, and Home Improvement loans is excellent. The distribution of Home Refinance loans is adequate, and of small business loans is good.

### ***Home Mortgage Loans***

Refer to Tables 7, 8, and 9 in Appendix C for standardized data regarding the geographic distribution of the bank's home mortgage loan originations and purchases. As previously explained in the Scope of Evaluation, we used adjusted loan data to conduct our borrower distribution analysis. This data primarily focuses on loan originations. The following narrative contains the specific facts and data we used to evaluate the borrower distribution of the bank's home mortgage loan originations.

Note that the expectation for the percentage of lending to low-income borrowers is not as high as for moderate-income borrowers because of the more limited ability

of low-income borrowers to afford home ownership.

### ***Home Purchase***

NCB-OH's borrower distribution of Home Purchase loans is excellent. Performance is excellent in Cleveland/Akron, good in Columbus, and excellent in Dayton.

The distribution of Home Purchase loans in the Cleveland/Akron CMSA is excellent. Performance relative to low-income borrowers is poor, however when housing affordability is factored in, the performance is considered good. Excellent low-income borrower market share and excellent distribution among moderate-income borrowers enhance overall performance. The following information further details our findings and conclusions relative to Home Purchase loan distribution.

In the Cleveland/Akron CMSA, the percentage of NCB-OH's Home Purchase loans made to low-income borrowers (10.85%) is less than the percentage of families that are low-income (19.54%). The percentage of loans made to moderate-income borrowers (22.96%) exceeds the percentage of families that are moderate-income (17.40%). NCB-OH's market share of loans to low- (6.69%) and moderate-income (4.89%) borrowers exceeds the overall Home Purchase market share of 4.69%

The distribution of Home Purchase loans in the Columbus MSA is good. Performance relative to low-income borrowers is poor, however when housing affordability is factored in, the performance is considered adequate. Excellent low-income borrower market share, and excellent loan distribution among moderate-income borrowers strengthen the bank's performance. The following information further details our findings and conclusions relative to Home Purchase loan distribution.

In the Columbus MSA, the percentage of NCB-OH's Home Purchase loans made to low-income borrowers (8.14%) is less than the percentage of families that are low-income (19.07%). The percentage of loans made to moderate-income borrowers (25.17%) exceeds the percentage of families that are moderate-income (17.99%). NCB-OH's market share of loans to low-income borrowers (5.30%) mirrors the overall Home Purchase market share of 5.30%. The bank's market share of loans to moderate-income borrowers (6.08%) exceeds the overall Home Purchase market share.

The distribution of Home Purchase loans in the Dayton MSA is excellent. Performance relative to low-income borrowers is poor, however when housing affordability is factored in, the performance is considered good. Excellent low-

income borrower market share, and excellent loan distribution among moderate-income borrowers strengthen the bank's performance. The following information further details our findings and conclusions relative to Home Purchase loan distribution.

In the Dayton MSA, the percentage of NCB-OH's Home Purchase loans made to low-income borrowers (9.56%) is less than the percentage of families that are low-income (19.59%). The percentage of loans made to moderate-income borrowers (26.42%) exceeds the percentage of families that are moderate-income (17.94%). NCB-OH's market share of loans to low- (17.58%) and moderate-income (18.56%) borrowers exceeds the overall Home Purchase market share of 17.43%.

### ***Home Refinance***

NCB-OH's borrower distribution of Home Refinance loans is adequate. Performance is adequate in all three full scope areas.

The distribution of Home Refinance loans in the Cleveland/Akron CMSA, the Columbus MSA, and the Dayton MSA is adequate. Performance relative to low-income borrowers is poor in all three areas, even when housing affordability is considered. This poor performance was somewhat offset by good performance among moderate-income borrowers. The following information further details our findings and conclusions relative to Home Refinance loan distribution.

In the Cleveland/Akron CMSA, the percentage of NCB-OH's Home Refinance loans made to low-income borrowers (6.59%) is less than the percentage of families that are low-income. The percentage of loans made to moderate-income borrowers (17.38%) is near the percentage of families that are moderate-income. NCB-OH's market share of loans to low-income borrowers (2.24%) is less than the overall Home Refinance market share of 3.90%. The bank's market share of loans to moderate-income borrowers (3.18%) is near the overall Home Refinance market share.

In the Columbus MSA, the percentage of NCB-OH's Home Refinance loans made to low-income borrowers (5.34%) is significantly less than the percentage of families that are low-income. The percentage of loans made to moderate-income borrowers (16.46%) is near the percentage of families that are moderate-income. NCB-OH's market share of loans to low-income families (3.68%) is somewhat less than the overall Home Refinance market share of 5.64%. The bank's market share of loans to moderate-income families (4.93%) is near the overall Home Refinance market share.

In the Dayton MSA, the percentage of NCB-OH's Home Refinance loans made to

low-income borrowers (5.73%) is significantly less than the percentage of families that are low-income. The percentage of loans made to moderate-income borrowers (16.23%) is near the percentage of families that are moderate-income. NCB-OH's market share of loans to low-income families (6.30%) is somewhat less than the overall Home Refinance market share of 9.05%. The bank's market share of loans to moderate-income families (6.93%) is somewhat less than the overall Home Refinance market share.

### ***Home Improvement***

NCB-OH's borrower distribution of Home Improvement loans is excellent. Performance is excellent in Cleveland/Akron, Columbus, and Dayton.

The distribution of Home Improvement loans in the Cleveland/Akron CMSA is excellent. Performance relative to low-income borrowers is good, however when housing affordability is factored in, the performance is considered excellent. Excellent low-income borrower market share, and excellent performance with respect to moderate-income borrowers further enhance performance. The following information further details our findings and conclusions relative to Home Improvement loan distribution.

In the Cleveland/Akron CMSA, the percentage of NCB-OH's Home Improvement loans made to low-income borrowers (16.02%) is near the percentage of families that are low-income. The percentage of loans made to moderate-income borrowers (23.27%) exceeds the percentage of families that are moderate-income. NCB-OH's market share of loans to low- (18.90%) and moderate-income (18%) borrowers is near the overall Home Improvement market share of 19.53%.

The distribution of Home Improvement loans in the Columbus and Dayton MSAs is excellent. Performance relative to low-income borrowers is adequate, however when housing affordability is factored in, the performance is considered excellent. Excellent low-income borrower market share, and excellent loan distribution among moderate-income borrowers strengthen the bank's performance. The following information further details our findings and conclusions relative to Home Improvement loan distribution.

In the Columbus MSA, the percentage of NCB-OH's Home Improvement loans made to low-income borrowers (12.92%) is somewhat less than the percentage of families that are low-income. The percentage of loans made to moderate-income borrowers (24.74%) exceeds the percentage of families that are moderate-income. NCB-OH's market share of loans to low- (26.45%) and moderate-income borrowers (26.76%) exceeds the overall Home Improvement market share of 25.77%.

In the Dayton MSA, the percentage of NCB-OH's Home Improvement loans made

to low-income borrowers (13.96%) is somewhat less than the percentage of families that are low-income. The percentage of loans made to moderate-income borrowers (22.38%) exceeds the percentage of families that are moderate-income. NCB-OH's market share of loans to low- (23.07%) and moderate-income borrowers (22.12%) is near the overall Home Improvement market share of 23.8%.

### ***Small Loans to Businesses***

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses is good. Performance is good in Cleveland/Akron and Columbus, and is adequate in Dayton.

In the Cleveland/Akron CMSA, the percentage of small loans to businesses with revenues of \$1 million or less substantially meets the percentage of businesses in that revenue category, and is somewhat less than that percentage in the Columbus and Dayton MSAs. Overall performance, especially in the Columbus MSA was enhanced by the extension of significant amounts of credits in small dollar amounts (\$100,000 or less). Within the Cleveland/Akron CMSA 84% of small loans to businesses were for amounts of \$100,000 or less. In the Columbus MSA 85% of such loans were for amounts of \$100,000 or less, and in the Dayton MSA 78% of such loans were for amounts of \$100,000 or less.

### ***Small Loans to Farms***

Table 11 in the Appendix C details the facts and data relative to the borrower distribution of the bank's origination/purchase of small loans to farms. As the volume of loans is small, a meaningful analysis could not be conducted.

### **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

NCB-OH's excellent community development (CD) lending is attributed to its volume of activity, its impact on the community, and its innovation. CD lending had a positive impact on the Lending Test conclusion for the Cleveland/Akron, Columbus, and Dayton MSA's.

NCB-OH originated 30 CD loans totaling \$21.1 million in the Cleveland/Akron

CMSA (2.52% of pro rated Tier I Capital). In the Columbus MSA, the bank originated 81 CD loans totaling \$47 million (13.84% of pro rated Tier I Capital). Finally, in the Dayton MSA, the bank originated 62 CD loans totaling \$7.4 million (3.07% of pro rated Tier I Capital). The number and dollar volume of CD lending activity is good in the Cleveland/Akron CMSA, and excellent in the Columbus and Dayton MSA's given the intense competition for such loans in all three areas.

The bank's CD loans in the Cleveland/Akron, Columbus, and Dayton MSAs have had a significant impact on the local communities. The loans primarily address an identified credit need for affordable housing. In the Columbus MSA, the loans also address the more difficult to meet credit need of housing for the homeless population. In addition, nearly 15% of NCB-OH's CD loans promote economic development projects that positively impact the local community by creating jobs for low- or moderate-income people, or rehabilitating abandoned commercial buildings located in low-income areas. Some of the bank's CD loans are considered innovative.

The following examples highlight the bank's CD lending in the Cleveland/Akron CMSA.

**Cleveland** - Two affordable housing loans totaling \$970 thousand were extended to a local developer. Proceeds were used to purchase and rehabilitate two multi-family properties with a total of 36 units. The properties are located in low- and moderate-income tracts and target low- and moderate-income families. The developments represent the first major renovation in the communities in several years, and are serving as a catalyst for other affordable housing initiatives.

**Akron** - A \$200 thousand affordable housing loan was made to a local non-profit agency. Proceeds were used to construct 14 single-family homes on vacant city lots. The lots are located in low- and moderate-income tracts that have been targeted for re-development by local housing groups. The homes primarily target low- and moderate-income families.

The following example highlights the bank's CD lending in the Columbus MSA.

**Parsons Avenue Projects.** - A \$1.2 million affordable housing loan was extended to a local housing agency. Proceeds were used to rehabilitate a historic building located on Parsons Avenue, a low-income community. The rehabilitation created 25 Single Room Occupancy (SRO) housing units that target the homeless population. This project is considered innovative because it is one of the few projects that target very low-income persons with limited or no-income.

## Product Innovation and Flexibility

Product flexibility had a positive impact on the Lending Test conclusions for Cleveland/Akron, Columbus, and Dayton.

NCB-OH provides a large array of lending products; many of them are flexible in their structure. These products are designed to address affordable housing needs of low- and moderate- income persons or geographies. Affordable housing was identified as a primary credit need by community contacts.

Some examples of flexible products offered by NCB-OH are highlighted below. The bank reports these products as part of its HMDA data. HMDA does not differentiate flexible products from more traditional loan products. As a result, the number of loans originated under each program is not detailed here.

**Home at Last** - This flexible mortgage product is available to borrowers purchasing homes in low- or moderate-income areas. It features a low downpayment requirement, no mortgage insurance, and flexible terms.

**NCHAMP Loans** - This flexible mortgage product is offered to homebuyers who are purchasing properties located in National City Community Development Corporation (NCCDC) sponsored developments. The loan features a low downpayment requirement and reduced interest rates. NCHAMP loans primarily target low- and moderate-income geographies.

**Residential Mortgage Programs** - NCB-OH offers a number of specialized products designed to facilitate home ownership for low- or moderate- income persons or within low- or moderate-income communities. These programs are offered in association with a variety of government sponsored groups including Fannie Mae, Ohio Housing, United States Department of Agriculture, Veterans Administration, and The Federal Housing Administration.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in all limited-scope areas was weaker than the bank's overall Outstanding performance under the Lending Test. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

The weaker performance is primarily the result of weaker geographic and borrower distribution. In most limited scope areas the bank's distribution was adequate versus good or excellent. This was considered in the overall rating, but was not sufficient to warrant a lower overall rating.



## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test is rated Outstanding. Based on a full-scope review, the bank's performance in the Cleveland/Akron CMSA is excellent, in the Columbus MSA performance is good, and in the Dayton MSA performance is excellent.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The assessment of NCB-OH's investment performance is based on the investments' volume, responsiveness to community needs, and complexity and innovation. Prior period investments were given significant weight in the volume conclusions because of the strong impact they continue to exert on the local community. Several prior period dollars remain with community groups who use them to re-fund loan pools, or as leverage in attracting additional private and public investors.

The volume of investments is good in the Cleveland/Akron CMSA where community development (CD) opportunities are high, and competition for such projects is intense. In Columbus, the volume of investments is good given the moderate CD opportunities and high level of competition. The volume of investments is excellent in Dayton given the moderate CD opportunities and intense competition. (Refer to the Market Profile in Appendix B).

The investments are highly responsive to the needs of the local communities. In Cleveland/Akron, 99% of investments address needs identified by community groups, in Columbus 93%, and in Dayton 98%. The remainder of the investments address social service needs of low- or moderate-income families.

Community contacts routinely described NCB-OH as a community development leader. This is reflected in the bank's ongoing efforts to develop investment opportunities within its local communities. These efforts are primarily created through the formation of long term equity partnerships with community groups and local developers. Many of the qualified investments that have resulted from these partnerships are considered either innovative or complex.

The following examples highlight the bank's performance in the Cleveland/Akron CMSA. The investments detail projects in which NCCDC, a nonbank affiliate created an equity partnership with a local non-profit group, municipality, or developer.

**CMPR Properties** - A \$125 thousand affordable housing investment that targets low- and moderate-income families. Funds were used to purchase and rehabilitate five single-family homes located in low- and moderate-income census tracts. In an innovative finance structure, NCCDC allowed the local CDC to use existing equity in the five properties as a capital contribution. As a result, the local CDC avoided a large monetary injection that would have resulted in a financial burden for the group.

**Critchfield Partnership** - A \$260 thousand affordable housing investment. Funds were used to construct two model homes that are located in two different census tracts. One of the tracts is designated as low-income, and the other as moderate-income. The homes target low- and moderate-income families. The City of Cleveland has targeted this area for economic redevelopment and provides 15-year tax abatement, infrastructure funding, and a forgivable 15-year loan.

**Friendship Village Phase I (HomeOwnership Zone)** - A \$335 thousand revitalization investment. Funds were used to construct three model homes located in a low-income census tract targeted for revitalization by the City of Cleveland. The homes target low-, moderate-, and middle-income families. The project is considered innovative, as it incorporates a buyer education, public housing transition, and neighborhood employment program. Under the employment program, neighborhood residents, especially those living in public housing units, are eligible to receive compensation for work performed during the construction phase of the project.

**Garfield Park Condominiums** - A \$105 thousand affordable housing investment that targets low- and moderate-income families. Funds were used to renovate two condominiums that were used as model units. The condominiums are located in a moderate-income area that is experiencing economic difficulties and escalating crime rates. The project was complicated and represented greater than average risk because of a lack of parking facilities, which negatively impacted sales. NCCDC developed an innovative financing package that helped to resolve the problem.

**M.E.A. Partnership Homes** - A \$157 thousand affordable housing investment. Funds were used to rehabilitate three houses and to construct two in-fill houses in a low-income area. This project represented greater than average risk as this was the first housing initiative for the not-for-profit involved in the project. NCCDC was the only banking entity willing to partner with the group. The homes target low- and moderate-income families.

**Mill Creek** - A \$479 thousand revitalization investment. Funds were used to construct three single-family homes located in a moderate-income census tract. The homes target moderate- and middle-income families. NCCDC units were used as models for the 217 housing unit initiative. The project is the largest new

construction development in the City of Cleveland within the last four decades, and demonstrates the bank's aggressive support of the City of Cleveland's revitalization plan for the area.

**Orchard Park** - A \$271 thousand revitalization investment. Funds were used to build two model homes located in a low-income tract. The City of Cleveland is an active participant in the project and has targeted this tract for revitalization. The homes target moderate- and middle-income families.

**South Lorain** - A \$418 thousand affordable housing investment. Funds were used to increase the capacity of the CDC involved in the project and to purchase and rehabilitate 10 scattered site homes. The homes are located in two different census tracts; one of which is low-income and the other is moderate-income. NCCDC was the first banking entity to participate in the project. The homes target low-income families.

**Tillman Court** - A \$160 thousand revitalization investment. Funds were used to finance the construction of 16 townhomes located in a moderate-income tract. The townhomes are marketed to moderate- and middle-income families. The project represents the first new housing development in the area in decades, and is designed to facilitate economic integration that will help stabilize the community. In addition, the project serves as a catalyst for attracting other affordable housing and economic development projects. The bank's CD leadership skills were evident throughout its involvement in this project. NCCDC is the only financial entity that was willing to assume the risk involved in entering this unproven market. In addition, Tillman Court is located on a very small parcel of land. In order to make the project feasible, NCCDC worked closely with the builder and the City of Cleveland to create unique townhouse designs, and to obtain zoning changes that maximized available space.

**Grants/Donations** - NCB-OH made 222 grants totaling \$1.5 million dollars to a number of community development and housing coalitions. This includes a \$30 thousand donation that was made to the El-Barrio project. This job-training program targets low- and moderate-income persons. In addition to training, the program also includes a job placement function.

The following examples highlight the bank's performance in the Columbus MSA. The investments detail projects in which NCCDC, a nonbank affiliate created an equity partnership with a local non-profit group, municipality, or developer.

**EastView Estates** - A \$199 thousand affordable housing investment. Funds were used to construct two model homes located in a moderate-income tract. The homes are being marketed to low- and moderate-income families. Historically, the local CDC had relied on a private investor for financing. However, the investor

declined to participate in the EastView Estates project. NCCDC was the only banking entity willing to provide the needed capital injection. This ensured the survival of the project. NCCDC also identified manufactured housing as a solution to the local CDC's construction worker shortage. Community contacts indicate that a booming construction market has made affordable housing projects less attractive to experienced construction workers. This project is considered innovative because of the creative means NCCDC devised to overcome ongoing obstacles associated with the project.

**St. Luke's** - A \$98 thousand affordable housing project. Funds were used to construct three homes located in a moderate-income census tract. Vandalism and other construction-related issues plagued the project. NCCDC aggressively addressed these problems by providing an additional \$5 thousand investment, technical expertise, and strong marketing efforts. The project targets low- and moderate-income borrowers.

**St. Stephen's Community Homes** - A \$69 thousand affordable housing investment. Funds were used to construct a model home located in a moderate-income census tract. This project represented the first time the City of Columbus allowed in-fill-housing construction using manufactured homes. NCCDC personnel worked closely with the non-profit to overcome problems related to zoning permits, and inspections. The homes target low- and moderate-income families. NCCDC was the first banking entity to participate in the project.

**Tussing Road Homes** - A \$728 thousand affordable housing investment. Funds were used to purchase 14 acres of land needed for the construction of 136 units of multi-family housing. NCCDC agreed to provide funding for the project when the non-profit was in danger of losing the acreage. No other banking entity would provide financing for the project. Tussing Homes is located in a moderate-income tract, and targets low- and moderate-income families. The project involved greater than average risk since the construction costs were to be funded by tax credits. The tax credits had not been obtained at the time NCCDC provided its equity capital.

**Grants/Donations** - NCB-OH made 159 grants totaling \$1.4 million dollars to a number of community development and housing coalition agencies. One unique grant recipient is the Neighborhood Partnership Program. The grant dollars are used to fund projects conceived and developed by neighborhood residents. The projects must have community development as their primary purpose. The program is the only one of its kind in the Columbus area. NCB-OH was the first bank to participate in the program.

The following examples highlight the bank's performance in the Dayton MSA. The investments detail projects in which NCCDC, a nonbank affiliate created an equity

partnership with a local non-profit group, municipality, or developer.

**Rehabarama '99** - A \$1.3 million neighborhood revitalization investment. Funds were used to rehabilitate/construct eleven homes in a blighted, moderate-income area known as DaytonView that has been targeted for revitalization and stabilization by the City of Dayton, and local community groups. The homes are being marketed to moderate- and middle-income families. Prior to rehabilitation, the DaytonView homes were vacated, boarded, partially burned or subdivided as group homes. Rehabarama '99 represents the first time that rehabilitation and infill construction have been included in the same project in the City of Dayton. To accomplish this feat, NCCDC worked with two separate contractors who formed a partnership to perform the rehabilitation and construction work. Preparation and negotiations for the project took two years. The project is considered both innovative and complex because of its inclusion of neighborhood residents, combination of rehabilitation and construction efforts, and high level of negotiations and intricate partnerships.

**McPherson Town** - A \$75 thousand revitalization investment. Funds are being used for the construction of an infill home in a moderate-income tract. The home is located in a neighborhood that the City of Dayton has targeted for revitalization, and is being marketed to moderate- and middle-income families. The innovative financing used in this project allows NCB-OH and NCCDC to finance 100% of the construction costs and the final home mortgage loan associated with the home.

**Hoover Cottages** - A \$69 thousand affordable housing/revitalization investment. Funds were used to construct two life residency cottages located in a moderate-income census tract that has been targeted for revitalization by the City of Dayton. The cottages were built on a vacant lot that had been used as an illegal dumping site for several years. In addition, the cottages represent the second phase of an experimental living complex that provides affordable housing and services for moderate- and middle-income senior citizens. Services include assisted living, meals, and recreational activities. The cottage project is the only one of its kind in the Dayton area.

**Wright Dunbar** - A \$250 thousand affordable housing investment. Funds were made available for the construction of five model homes in a low-income census tract that is targeted by the City of Dayton for revitalization and economic integration. The project included the use of a Linked Deposit program. NCCDC's partnership has successfully completed and sold one model home to an LMI family.

**Grants/Donations** - NCB-OH made 92 grants totaling \$283 thousand dollars to a number of local community development and housing coalition groups. This total

also includes donations to several social service agencies that strive to meet the needs of low- and moderate-income families.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Canton MSA was not inconsistent with the bank's overall Outstanding performance under the Investment Test. Performance in the Toledo, Wheeling, Youngstown, Cincinnati, Huntington, Mansfield, and Steubenville MSAs were weaker than the bank's overall performance. In the nonmetropolitan areas the bank's performance is weaker than the bank's overall performance. Refer to Table 12 in Appendix C for the facts and data that support these conclusions.

In the metropolitan areas, the weaker performance was primarily the result of the bank's limited presence in the areas, and strong competition from other dominant banks. In the nonmetropolitan areas, the weaker performance was the result of limited investment opportunities. This was considered in the overall conclusions, but did not negatively impact the rating.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated High Satisfactory. Based on a full scope review, performance in the Cleveland/Akron CMSA, and the Columbus and the Dayton MSAs were good.

#### Retail Banking Services

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The distribution of NCB-OH's branch offices is considered good. Slightly more consideration was given to performance in moderate-income tracts since a relatively larger percentage of the population resides in moderate-income tracts compared to low-income tracts. The bank's delivery systems are accessible to geographies and individuals of different income levels.

In the Cleveland/Akron CMSA, banking office distribution in low-income geographies is excellent because the percentage of branch offices in low-income geographies is near the population demographics in these areas. NCB-OH's distribution in moderate-income geographies is somewhat less than the population demographics in these areas. However, there are several branches in close proximity to the moderate-income areas. When the affect of these additional branches is considered, the bank's distribution in moderate-income areas is good.

In the Columbus MSA, the banking office distribution in low-income geographies is adequate because the percentage of branch offices in low-income geographies is somewhat less than the population demographics in these areas. The distribution in moderate-income geographies is excellent because the percentage of offices in moderate-income geographies substantially meets the population demographics in these areas.

In the Dayton MSA, banking office distribution in low-income geographies is excellent because the percentage of branch offices in low-income geographies exceeds the population demographics in these areas. NCB-OH's distribution in moderate-income geographies is less than the population demographics in these areas. However, there are several branches in close proximity to the moderate-income areas. When the affect of these additional branches is considered, the bank's distribution in moderate-income areas is good.

Branch openings and closings have not adversely affected the accessibility of

delivery systems in low- and moderate-income areas. One branch was closed in the Cleveland area, eight in the Columbus area, and none in the Dayton area during the review period. Of this total, five occurred in low- or moderate-income census tracts. NCB-OH made reasonable efforts to minimize the affect of branch closings on low- and moderate-income areas. The affect of the closures was minimized by the continued operations of other NCB-OH branches in close proximity to the closed facilities. One branch opening occurred in a moderate-income tract in Columbus, which counterbalanced a branch closing.

Business hours and services offered throughout the full-scope assessment areas are excellent. Standard banking hours and services provided Monday through Friday are relatively comparable at all 213 locations without regard to the income level of the geography. Tailored business hours including extended evening and weekend hours are routinely structured to meet the needs of the local community. Tailored hours exist in approximately 84% of NCB-OH's facilities, including branches located in low- and moderate-income neighborhoods. Tailored hours are also available in facilities located in high traffic locations such as grocery and drug stores. The Cleveland area has twelve in-store branches, the Columbus area has eleven, and the Dayton area has one.

NCB-OH offers a Basic Checking account that is designed to meet the needs of low- and moderate-income customers for a \$3 monthly service charge with no minimum balance requirements. The bank also offers a Self-Serve Checking product that does not assess fees for ATM or electronic transactions.

In addition to its standard products and services, NCB-OH offers a highly efficient SBA customer support program. The intensity and aggressiveness of the program makes it unique. NCB-OH's SBA lenders operate throughout the Cleveland/Akron, Columbus, and Dayton areas. They are well trained and offer hands-on, step-by-step, ongoing support to customers making SBA inquiries or seeking to obtain SBA loans. NCB-OH developed this service in response to concerns raised by small business owners, especially those operating in low- and moderate-income census tracts. The service has been highly effective as reflected in the fact that in Cleveland and Dayton, the bank was the leading SBA lender in 1999.

NCB-OH's ATM network offers an effective alternative delivery system for providing retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals. Within the Cleveland/Akron CMSA, the percentage of ATMs in low- (7.17%) and moderate-income geographies (12.45%) is near the population that resides in those areas (9.06%, and 14.89%, respectively). In the Columbus MSA, the percentage of ATMs in low- (13.64%) and moderate-income areas (24.55%) exceeds the portion of the population that resides in those geographies (8.98% and 20.12%, respectively). In the Dayton MSA, the percentage of ATMs in low-income areas (10.64%) exceeds the portion

of the population that resides in those geographies (7.10%), and the percentage of ATM's in moderate-income areas (14.29%) is somewhat less than the population in those areas (18.13%).

NCB-OH also operates several Call Centers that serve as alternative delivery systems for loan products. Customers can access the centers and complete loan applications by phone. The Centers offer extended evening and weekend hours. Internal bank data shows that this has been an effective delivery system for providing retail services to low-and moderate-income customers. Of the total loans processed through Ohio centers, nearly 25 percent represent loan originations to low- or moderate-income borrowers. In addition, approximately 10 percent were extended within low- or moderate-income census tracts.

The bank also offers a 24-hour telephone banking service, which allows customers to obtain deposit and loan account information, make loan payments, transfer funds, and pay other household bills. The bank could not provide specific information on telephone banking's impact on low- and moderate-income individuals or geographies. As a result, this delivery system was not given significant weight during the review process.

### **Community Development Services**

NCB-OH provides an excellent level of community development (CD) services. The bank's performance in the Cleveland/Akron CMSA is excellent, and is good in the Columbus and Dayton MSAs. Services in all three assessment areas are considered highly responsive to the needs of the local communities and demonstrate the bank's leadership.

In all three full scope areas, services target the primary needs of the local community. Specifically, in the Cleveland/Akron CMSA, CD services target affordable housing, economic development, and consumer financial education. In the Columbus and Dayton MSAs, services targeted affordable housing, small business development, consumer financial education, and efforts to increase the capacity of local not-for profit entities.

Numerous bank employees provide leadership for a wide array of local groups that serve the needs of low- and moderate-income communities and families. These employees serve as finance committee members or on Boards of directors for not-for profits, small business associations, affordable housing agencies, and local economic development corporations. In the Cleveland/Akron CMSA, some of these groups include: ShoreBank Cleveland, Euclid Avenue Initiative, Cascade Community Development Corp., African-American Business Consortium, Cleveland Area

Development Finance Corp., Cuyahoga County Community Improvement Corp, City of Cleveland Micro Loan Program, Cleveland Saves, and Ohio Mezzanine Fund, Ltd. In the Columbus MSA, some of these groups include: Columbus Growth Fund, The Community Development Collaborative of Greater Columbus, Enterprise Works, Ohio Community Development Finance Fund, Ohio Micro Enterprise Network, Columbus Neighborhood Housing Services, Columbus Housing Partnership, Greater Linden Development Corporation, St. Stephen's Community Homes, Franklinton Development Corporation, Neighborhood Partnership Program, and the Northside Development Corporation. In the Dayton MSA, some of these groups include: Downtown Dayton Housing Loan Pool, Neighborhood Lending Partnership, Springfield Hope, Dayton Fund for Home Rehabilitation, Citywide Development Corp., the Dayton/Miami Valley Entrepreneur Center, the Enterprise Ohio Investment Corp, I-70-75 Development Association, Kettering Business Loan Review Board, and Clark County Development Corp.

The following examples highlight NCB-OH CD service activities in the Cleveland/Akron CMSA during the evaluation period:

**Federal Home Loan Bank (FHLB)** - Through its Community Development Outreach Officer, the bank provides technical expertise to local community groups seeking Federal Home Loan Bank Affordable Housing Program grants. During this review period, eleven of the bank's submitted project requests were approved for funding in the full scope assessment areas. As a result, over \$13.9 million was invested in affordable housing projects in these areas. Another \$5.2 million was funded in the bank's limited-scope assessment areas.

**Cleveland Action to Support Housing (CASH)** - NCB-OH officers provide technical expertise as members of CASH's Board of Trustees, executive committee, and loan committee. The officers' roles include providing financial oversight to the organization during budget and project approvals. CASH provides subsidized home repair loans to low- and moderate-income persons residing in low- and moderate-income census tracts.

**El Barrio** - NCB-OH provided technical expertise to this community organization for the initiation of a job-training program in 1999. The bank's human resource department provided their expertise regarding curriculum, training, and hiring practices. The program primarily benefits low- and moderate-income persons.

Major highlights of CD service activities in the Columbus MSA during the evaluation period include:

**Community Development Collaborative of Greater Columbus (CDCGC)** - In response to the need to increase organizational capacity of not-for-profit community development corporations, NCB-OH took the leadership role with the Enterprise

Foundation to form a special collaboration, CDCGC, that would provide funding for administrative needs. CDCGC distributes grants for administrative needs to community development corporations and provides technical assistance regarding budgeting and tax planning. Other CDCGC members include: the City of Columbus, Franklin County, Ohio Capital Corporation for Housing, United Way of Franklin County, Columbus Foundation, Fannie Mae Foundation, and Bank One.

**Columbus Growth Fund, Inc. (CGFI)** - NCB-OH has been instrumental in raising capital to start CGFI; a business enterprise award from the SBA was used for initial seed money. CGFI was certified as a Community Development Financial Institution (CDFI) in 1997. NCB-OH actively sought funding partners for and structured the financing of the loan pool.

**Individual Development Accounts (IDA)** - NCB-OH has spearheaded this project with the Jewish Family Services to implement basic banking programs for low- and moderate-income Somolian and Russian immigrants. During the program course, participants visit the bank's premises and are acclimated to the banking environment. Participants may open special savings accounts for future home purchases, small business startups, or secondary education. Due to the success of this program and NCB-OH's leadership, the Salvation Army is developing a pilot program to be implemented during 2000 in central Ohio.

**Ohio Community Development Corporations Association** - NCB-OH was a leader in supporting this statewide initiative for individual development account (IDA) programs. The bank strongly supported this initiative as a member of the state task force, presented testimony before the state legislature, and generated funding for this effort. An NCB-OH bank officer currently provides technical expertise as a member of the organization's allocation committee responsible for selecting projects and awarding funds. Selected program locations include Cleveland, and Dayton.

Major highlights of CD service activities in the Dayton MSA during the evaluation period include:

**Rehabarama '99** - NCB-OH has provided support and leadership for the neighborhood stabilization project of this low- and moderate-income community. (See investment comment page - 21) The bank has sponsored neighborhood social events that educate the community on home improvement products and services, donated prizes for the winners of the home improvement contest, and provided staffing for marketing events.

**Small Business Training** - NCB-OH provides technical services as bank employees are guest instructors for the Small Business Development Center and Central State University. This instruction includes information on obtaining small business loans

and understanding credit and financial statements. Many of the potential business owners are low- or moderate-income.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Wheeling, Youngstown, Cincinnati, Huntington, and Mansfield MSAs, and the non-metropolitan areas is stronger than the bank's overall High Satisfactory performance under the Service Test. The Toledo and Steubenville MSAs are not inconsistent with the bank's overall rating. The Canton MSA is weaker than the bank's overall rating. Refer to Table 13 in Appendix C for the facts and data that support these conclusions.

The stronger ratings are due to a stronger distribution of branches in low- and moderate-income census tracts. The weaker ratings are due to a weaker distribution of branches in low- and moderate-income census tracts. These factors were considered in the overall conclusions, but they did not significantly impact the overall rating.

## 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  $\Delta$ Full-Scope $\Delta$ ) and those that received a less comprehensive review (designated by the term  $\Delta$ Limited-Scope $\Delta$ ).

<b>Time Period Reviewed</b>	Lending Test: HMDA                    January 1, 1997 through September 30, 1999 Small Business        January 1, 1999 through September 30, 1999 Investment Test:      January 1, 1997 through February 22, 2000 Service Test:            January 1, 1997 through September 30, 1999	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
National City Bank (NCB) Cleveland, OH	Home-purchase and refinanced loans, home-improvement loans, small-business/farm loans, Community-development loans, community-development investments, community-development services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
National City Bank of Pennsylvania	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
Altegra Credit Company	National City Bank of Pennsylvania subsidiary	Home-purchase and refinanced loans, and home-improvement loans.
National City Bank of Indiana	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
National City Mortgage Corporation	National City Bank of Indianapolis subsidiary	Home-purchase and refinanced loans and home-improvement loans.
Muirfield Mortgage	National City Mortgage Corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
National City Bank of Michigan/Illinois	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
National City Mortgage Service	National City Bank of Michigan/Illinois subsidiary	Home-purchase and refinanced loans and home-improvement loans.
National City Bank of Kentucky	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
NCCDC	Holding corporation subsidiary	Community-development loans, community- development investments, community- development services.

<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Cleveland-Akron #6280	Full-Scope	CMSA
Columbus #1840	Full-Scope	MSA
Dayton #2000	Full-Scope	MSA
Toledo #8400	Limited Scope	MSA
Youngstown #9320	Limited-Scope	MSA
Wheeling, W VA #9000	Limited-Scope	MSA
Canton #1320	Limited Scope	MSA
Mansfield #4800	Limited-Scope	MSA
Steubenville #8080	Limited-Scope	MSA
Huntington #3400	Limited Scope	MSA
Cincinnati #1640	Limited-Scope	MSA
Non Metropolitan Areas	Limited-Scope	Non-MSA

# Appendix B: Market Profiles for Full-Scope Areas

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## Table of Contents

### Market Profiles for Areas Receiving Full-Scope Reviews

Cleveland/Akron CMSA.....	B-2
Columbus MSA.....	B-4
Dayton MSA.....	B-6

## Cleveland/Akron CMSA

Demographic Information for Full-Scope Area: Cleveland/Akron MSA #1680/0080						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	842	15.91	16.75	42.28	22.68	2.38
Population by Geography	2,759,823	9.06	14.89	49.86	26.13	0.06
Owner-Occupied Housing by Geography	707,140	4.49	11.38	53.76	30.37	0.00
Businesses by Geography	100,514	8.31	10.74	45.83	32.61	2.51
Farms by Geography	2,716	1.07	3.90	57.44	37.52	0.07
Family Distribution by Income Level	739,669	19.54	17.40	23.97	39.09	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	273,256	16.65	22.90	47.52	12.93	0.00
Median Family Income	= \$35,193	Median Housing Value				= \$62,864
HUD Adjusted Median Family Income for 1998	= \$49,900	Unemployment Rate June 30, 1999				= 4.09%
Households Below the Poverty Level	= 12.09%					

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 1998 HUD updated MFI.

The Cleveland-Akron CMSA is located in NorthEast Ohio and includes Cuyahoga, Geauga, Lake, Lorain, Medina, Ashtabula, Portage and Summit counties. NCB-OH's assessment area excludes Ashtabula County since the bank has no branch offices there. The bank has 110 branches and 278 ATMs located throughout the CMSA. As of June 30, 1999, 55.5% of NCB-OH's deposits were derived from this area. No changes were made to this assessment area during the evaluation period.

NCB-OH's deposits in this CMSA are \$8.7 billion or 16.52% of the market according to the June 30, 1999 FDIC Market Share Reports. Most (83%) of the CMSA's deposits are centered in Summit and Cuyahoga counties where NCB-OH is the second largest depositor. All other counties are dominated by other large regional or community banks. KeyBank National Association, FirstMerit Bank, National Association, Huntington National Bank, and Bank One, National Association provide direct competition.

The Cleveland area is primarily urban and contains an aging housing stock that needs significant rehabilitation. The community has benefited from the existence of several sophisticated non-profit development organizations and pro-active City governments. This is especially true in Cuyahoga County where the City of Cleveland has an active land bank, down payment assistance, and tax abatement program. Community groups and local City governments have developed plans to

stabilize several inner-city neighborhoods. However, many of these areas still require continued economic integration and retail ancillary services such as grocery stores and bank branch facilities in order to retain stability.

The Akron area, located south of Cleveland, is primarily urban, and has been negatively impacted by the decline of the rubber industry. Higher paying industrial jobs have been replaced by lower paying service jobs. Consequently, families have significantly lower incomes. This has increased the demand for affordable housing options. The community has an excellent supply of older housing stock that is affordable for moderate-income families. There are few homes or rental units that are affordable for low-income families. The community has been positively impacted by the urban renewal efforts of the local University, which has been proactive in purchasing and redeveloping economically depressed areas of the City of Akron.

As explained earlier in this Evaluation, community credit needs within the Cleveland-Akron assessment area were identified by conducting community group forums. Affordable housing for low-income households was identified as a need in the community. This includes the need for housing rehabilitation, and multi-family housing units that can be rented. In addition, because of the abundance of aging housing stock and vacant lots, and the general lack of basic services in some areas, revitalization of inner city neighborhoods is an ongoing community need.

Community contacts also noted that very-low income homeowners need housing rehabilitation loans with flexible repayment schedules. In addition, the CMSA contacts noted a need for small business start-up loans

A high level of opportunities exist for creating partnerships with local city governments, nonprofit housing organizations, for profit developers, community service groups, credit counseling agencies, and social service agencies. Competition for community development loans, investments, and services is also high. Most of the competition consists of the large regional and community banks described earlier.

## Columbus MSA

Demographic Information for Full-Scope Area: Columbus MSA #1840						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	342	10.53	24.56	43.27	20.76	0.88
Population by Geography	1,345,450	8.98	20.12	43.27	27.60	0.03
Owner-Occupied Housing by Geography	306,946	3.72	16.34	47.34	32.61	0.00
Businesses by Geography	51,984	8.30	17.08	40.18	32.47	1.98
Farms by Geography	2,223	1.26	7.74	67.48	23.44	0.09
Family Distribution by Income Level	348,953	19.07	17.99	24.61	38.33	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	129,331	14.07	29.73	44.32	11.87	0.00
Median Family Income	= \$36,792	Median Housing Value				= \$71,752
HUD Adjusted Median Family Income for 1998	= \$53,800	Unemployment Rate June 30, 1999				= 3.54%
Households Below the Poverty Level	= 11.52%					

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 1998 HUD updated MFI.

The Columbus MSA consists of Delaware, Fairfield, Franklin, Licking, Madison and Pickaway counties and is the largest MSA within the state of Ohio. The bank's assessment area includes the entire MSA. NCB-OH has 62 branches and 112 ATMs located throughout the MSA. As of June 30, 1999, 12.64% of the bank's deposits were derived from this community. No changes were made to this assessment area during the evaluation period.

NCB-OH's deposits in this MSA are \$1.97 billion or 9.4% of the market according to the June 30, 1999 FDIC Market Share Reports. The bank is the third largest deposit taking institution in Madison County and the fourth largest in Franklin County. All other counties are dominated by other large regional banks, or by large community banks. Delaware County Bank and Trust Company, Fairfield Federal Savings and Loan Association of Lancaster, Park National Bank, Bank One, National Association, Huntington National Bank, and Savings Bank provide direct competition.

The Columbus area has a very strong economy, however it is centered in the service industry, which offers relatively low paying jobs. Affordable and market rate housing development has been concentrated in suburban areas. This has increased the competition for skilled construction workers. Not-for profit groups and small for-profit contractors have experienced severe difficulty in finding qualified construction workers willing to work on affordable housing initiatives.

The area has a moderate supply of vacant lots and an ample supply of substandard housing. Many of the vacant lots are owned by persons living outside the state of Ohio or by corporations. This has served as an impediment to contacting vacant lot owners for donation or development opportunities. Many of these lots are located in low- or moderate-income areas. In addition, as houses are rehabilitated in these areas, values increase, and some lot owners become resistant to selling their properties at affordable rates, as they anticipate higher future sales prices. This has negatively impacted the ability of local CDC's to purchase affordable lots in low- income areas. Finally, there is a trend among middle- and upper-income families to move into inner city neighborhoods and rehabilitate homes. This has caused housing prices to increase drastically in lower income areas, making these areas unaffordable for low- or moderate-income families. Finally, the City of Columbus implements a strict lead abatement program that exceeds state requirements. This ensures thorough testing and clean up of lead related problems, but also contributes to higher housing rehabilitation costs.

As noted earlier in this evaluation, community credit needs within the Columbus area were identified by conducting a series of community group forums. These groups included affordable housing organizations, small business development groups, local CDCs, representatives from local municipalities, and social service groups. Affordable housing, especially home purchase and rehabilitation loans for single family residences were cited as primary needs in the community. Rehabilitation of multi-family housing is also needed. In addition, economic development and revitalization is need in downtown areas. This includes the need for infill housing and bridge loans.

The community groups also noted that the provision of banking services in low- and moderate-income areas was either limited or very costly. Concerns were noted with aggressive sub-prime lenders that dominate the inner city market.

The level of opportunity for creating partnerships with non-profit housing groups, local developers, or micro loan pools is moderate. There are numerous, active community groups in the Columbus area. However, most of the groups have limited capacity. Many social service groups exist in the area that have ongoing needs for donations and technical expertise. Competition for community development loans, investments, and services is high. Most of the competition consists of the large regional and community banks described earlier.

## Dayton MSA

Demographic Information for Full-Scope Area: Dayton MSA #2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	244	9.43	18.44	50.00	20.90	1.23
Population by Geography	951,270	7.10	18.13	51.99	22.78	0.00
Owner-Occupied Housing by Geography	239,296	4.05	13.58	55.51	26.85	0.00
Businesses by Geography	30,170	9.77	17.11	47.61	25.49	0.02
Farms by Geography	1,575	0.83	9.14	73.90	16.06	0.06
Family Distribution by Income Level	259,821	19.59	17.94	24.42	38.05	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	97,500	12.80	26.04	50.69	10.47	00.00
Median Family Income	= \$35,999	Median Housing Value		= \$64,180		
HUD Adjusted Median Family Income for 1998	= \$52,400	Unemployment Rate June 30, 1999		= 3.81%		
Households Below the Poverty Level	= 11.57%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 199X HUD updated MFI.

The Dayton MSA consists of Clark, Greene, Miami and Montgomery counties. The bank's assessment area includes the entire MSA. NCB-OH has 41 branches and 70 ATMs located throughout the area. As of June 30, 1999, 8.97% of the bank's deposits were derived from this MSA. No changes were made to this assessment area during the evaluation period.

NCB-OH's deposits in this MSA are \$1.4 billion or 14.42% of the market according to the June 30, 1999 FDIC Market Share Reports. The bank is the third largest depository in both Clark and Montgomery counties. A number of large regional and community banks dominate Greene and Miami counties. Security National Bank and Trust Company, Huntington National Bank, Fifth Third Bank of Western Ohio, Firststar Bank, National Association, Keybank Bank National Association, and Third Savings and Loan Company provide direct competition.

The area has a strong tool and die making industry. These jobs require technical expertise that many of the local residents do not have. As a result, a high percentage of local residents are employed in service industries where the pay is relatively low.

The community has an ample supply of homes that are in need of rehabilitation. Many are located in west Dayton, which consists primarily of low- and moderate-

income tracts. Rehabilitation efforts have been impeded because the cost associated with improvements and environmental cleanups often exceeds the salable value of the property. The west side of Dayton contains a limited number of basic services such as branch facilities or grocery stores.

As noted earlier in this Evaluation, community credit needs in the Dayton area were identified by conducting a series of community group forums. These groups included representatives from affordable housing organizations, small business development groups, local CDCs, and social service groups. Affordable housing, especially home purchase and rehabilitation loans for single family residences were cited as primary needs in the community. In addition, down payment assistance and funding for environmental cleanups is needed. Finally, economic development and revitalization is needed, especially in downtown areas.

The level of opportunity for creating partnerships with non-profit housing groups, local developers, or to participate in local government initiatives is moderate. There are several, active housing groups in the Dayton area. However, some of these groups have limited capacity in terms of staff, expertise, or capital. There are many social service groups in the area with ongoing needs for donations and technical expertise. Competition for community development loans, investments, and services is high. Most of the competition consists of the large regional and community banks described earlier.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the  $\Delta$  bank include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to

\$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 7. Borrower Distribution of Home Purchase Loans** - 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 families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 farm. Market share information is presented based on the most recent aggregate market data available.

**Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

**Table 1. Lending Volume**

LENDING VOLUME												
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA *	Home Mortgage**		Small Loans to Businesses***		Small Loans to Farms***		Community Development****		Total Reported Loans		% of Rated Area Loans(#) In MSA/AA
		#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	
<b>Full Scope:</b>												
Cleveland/Akron CMSA (1680/0080)	56	22,430	1,876,604	2,996	231,664	5	439	35	24,885	25,466	2,133,592	25
Columbus (1840)	13	18,087	1,599,610	1,341	91,047	0	0	95	55,357	19,523	1,746,014	19
Dayton (2000)	9	17,651	1,367,340	1,585	146,484	5	52	73	8,669	19,314	1,522,545	19
<b>Limited Scope:</b>												
Youngstown (9320)	5	3,236	191,216	613	49,004	0	0	3	3,066	3,852	243,286	4
Toledo (8400)	4	8,487	600,082	746	95,050	2	150	54	5,441	9,289	700,723	9
Canton (1320)	1	2,915	207,475	295	34,987	0	0	5	1,741	3,215	244,203	3
Steubenville (8080)	1	563	26,638	66	2,506	0	0	0	0	629	29,144	<1
Cincinnati (1640)	<1	1,588	193,470	43	6,239	0	0	1	658	1,632	200,367	2
Huntington (3400)	<1	692	20,515	16	1,147	0	0	4	3,355	712	25,017	<1
Mansfield (4800)	<1	517	18,249	24	2,752	2	0	0	0	543	21,057	<1
Wheeling (9000)	<1	634	34,552	41	3,181	0	0	0	0	675	37,733	<1
Non Metropolitan Areas	9	14,750	942,686	826	64,693	54	4,225	10	4,076	15,630	1,011,604	16

(\*) Deposit data as of June 30, 1999.

(\*\*) The evaluation period for Home Mortgage Loans is January 1, 1997 to September 30, 1999.

(\*\*\*) The evaluation period for Small Loans to Businesses and Small Loans to Farms is January 1, 1999 to September 30, 1999.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Cleveland/Akron CMSA (1680/0080)	4.49	6.02	11.38	13.07	53.76	47.63	30.37	33.01	3	4.63	7.79	5.52	4.37	4.36	7,610	23
Columbus (1840)	3.72	1.84	16.34	11.32	47.34	43.48	32.61	43.35	2	5.81	2.63	4.74	5.92	6.26	6,254	19
Dayton (2000)	4.05	1.75	13.58	9.15	55.51	53.02	26.85	36.09	1	14.59	7.98	11.81	14.50	16.27	8,078	24
<b>Limited Scope:</b>																
Youngstown (9320)	4	1	12	9	58	59	26	31	6	5.3	7.1	4.6	5.6	5.1	1,214	4
Toledo (8400)	4	2	15	10	57	54	24	34	1	9.2	7.5	6.4	9.1	10.4	2,975	9
Canton (1320)	2	1	13	8	64	63	21	28	3	5.2	4.3	2.8	5.1	6.6	993	3
Steubenville (8080)	3	2	9	6	76	76	11	16	2	7.4	0.0	8.5	7.6	6.9	168	1
Cincinnati (1640)	0	0	4	1	62	41	33	58	3	5.4	0.0	2.1	4.3	6.8	763	2
Huntington (3400)	0	0	11	4	89	96	0	0	9	3.5	0.0	1.1	3.8	0.0	106	0
Mansfield (4800)	1	0	12	7	50	58	36	35	13	1.8	0.0	1.0	1.8	2.0	85	0
Wheeling (9000)	0	0	3	0	85	79	12	21	1	13.8	0.0	0.0	13.8	16.5	276	1
Non Metropolitan Areas	0	0	20	12	64	66	16	22	1	12.1	16.7	8.7	12.9	12.0	4,600	14

(\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Cleveland/Akron CMSA (1680/0080)	4.49	8.36	11.38	18.94	53.76	49.72	30.37	22.93	1	18.85	16.08	17.06	18.21	24.10	5,875	26
Columbus (1840)	3.72	4.20	16.34	19.99	47.34	53.32	32.61	22.46	1	24.39	23.28	26.03	25.68	20.86	4,212	18
Dayton (2000)	4.05	4.77	13.58	14.86	55.51	54.68	26.85	25.69	1	23.31	19.77	22.31	21.79	28.93	3,897	17
<b>Limited Scope:</b>																
Youngstown (9320)	4	5	12	16	58	62	26	17	2	9.6	10.4	11.6	10.1	7.6	840	4
Toledo (8400)	4	5	15	16	57	57	24	22	1	29.4	24.4	25.5	28.5	37.3	2,414	10
Canton (1320)	2	2	13	17	64	66	21	15	1	18.1	15.7	13.8	18.5	22.9	677	3
Steubenville (8080)	3	2	9	1	76	85	11	12	2	15.6	20.0	8.3	15.8	16.4	135	1
Cincinnati (1640)	0	0	4	4	62	54	33	42	4	9.5	0.0	0.0	8.6	12.5	236	1
Huntington (3400)	0	0	11	2	89	98	0	0	1	43.3	0.0	7.1	45.8	0.0	410	2
Mansfield (4800)	1	2	12	15	50	54	36	29	1	20.4	18.2	15.7	23.9	16.3	309	1
Wheeling (9000)	0	0	3	5	85	83	12	12	3	14.1	0.0	18.2	13.3	17.9	135	1
Non Metropolitan Areas	0	0	20	20	64	65	16	15	1	33.9	28.6	35.3	34.3	30.8	3,776	16

(\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a % of all home improvement loans originated and purchased in the area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Cleveland/Akron CMSA (1680/0080)	4.49	2.91	11.38	8.48	53.76	50.63	30.37	37.97	4	4.99	1.77	2.79	5.09	6.13	8,926	25
Columbus (1840)	3.72	1.59	16.34	8.21	47.34	44.75	32.61	45.45	1	7.27	2.54	4.41	7.36	8.37	7,604	21
Dayton (2000)	4.05	1.75	13.58	7.67	55.51	48.78	26.85	41.79	2	8.66	2.50	5.23	7.87	11.84	5,642	16
<b>Limited Scope:</b>																
Youngstown (9320)	4	1	12	6	58	60	26	33	9	3.4	.7	1.8	3.5	3.7	1,180	3
Toledo (8400)	4	1	15	8	57	53	24	38	3	7.7	1.1	4.4	7.3	10.3	3,096	9
Canton (1320)	2	1	13	5	64	61	21	33	2	5.3	3.5	1.8	5.1	8.0	1,245	4
Steubenville (8080)	3	2	9	2	76	73	11	23	3	6.8	11.1	.6	6.8	9.8	260	1
Cincinnati (1640)	0	0	4	1	62	39	33	60	3	4.6	0.0	1.6	3.1	6.7	588	2
Huntington (3400)	0	0	11	9	89	91	0	0	5	6.1	0.0	3.0	6.4	0.0	176	0
Mansfield (4800)	1	4	12	23	50	47	36	26	20	1.1	3.6	3.1	1.0	.6	123	0
Wheeling (9000)	0	0	3	1	85	76	12	24	2	8.2	0.0	2.4	7.7	11.6	223	1
Non Metropolitan Areas	0	0	20	12	64	67	16	21	1	13.0	4.6	10.7	13.5	13.2	6,370	18

(\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a % of all home mortgage refinance loans originated and purchased in rated area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES										Evaluation Period: 01/01/1999 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% Businesses	% BANK Loans	% Businesses	% BANK Loans	% Businesses	% BANK Loans	% Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Cleveland/Akron CMSA (1680/0080)	8.31	7.24	10.74	11.42	45.83	44.63	32.61	35.01	NA	NA	NA	NA	NA	NA	2,996	34
Columbus (1840)	8.29	11.86	17.08	13.05	40.18	43.70	32.47	30.35	NA	NA	NA	NA	NA	NA	1,341	16
Dayton (2000)	9.77	9.91	17.11	19.62	47.61	35.77	25.49	34.70	NA	NA	NA	NA	NA	NA	1,585	18
<b>Limited Scope:</b>																
Youngstown (9320)	8	7	13	12	50	51	29	30	NA	NA	NA	NA	NA	NA	613	7
Toledo (8400)	10	9	12	14	53	45	25	32	NA	NA	NA	NA	NA	NA	746	9
Canton (1320)	7	14	11	7	57	43	25	36	NA	NA	NA	NA	NA	NA	295	3
Steubenville (8080)	20	23	8	8	50	39	22	30	NA	NA	NA	NA	NA	NA	66	1
Cincinnati (1640)	0	0	7	0	62	60	30	40	NA	NA	NA	NA	NA	NA	43	1
Huntington (3400)	0	0	22	19	78	81	0	0	NA	NA	NA	NA	NA	NA	16	0
Mansfield (4800)	7	4	15	13	52	54	26	29	NA	NA	NA	NA	NA	NA	24	0
Wheeling (9000)	0	0	15	41	57	34	27	24	NA	NA	NA	NA	NA	NA	41	1
Non Metropolitan Areas	1	1	20	13	63	69	16	17	NA	NA	NA	NA	NA	NA	826	10

(\*) The bank's small business data was unreliable for 1998, as a result market share data was not used.

(\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS										Evaluation Period: 01/01/1999 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% Farms	% BANK Loans	% Farms	% BANK Loans	% Farms	% BANK Loans	% Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Cleveland/Akron CMSA (1680/0080)	1.07	0.00	3.90	0.00	57.44	20.00	37.52	80.00	NA	NA	NA	NA	NA	NA	5	7
Columbus (1840)	1.26	0.00	7.74	0.00	67.48	0.00	23.44	0.00	NA	NA	NA	NA	NA	NA	0	0
Dayton (2000)	.82	0.00	9.14	20.00	73.90	80.00	16.06	0.00	NA	NA	NA	NA	NA	NA	5	7
<b>Limited Scope:</b>																
Youngstown (9320)	1	0	4	0	71	0	24	0	NA	NA	NA	NA	NA	NA	0	0
Toledo (8400)	0	0	4	0	81	100	14	0	NA	NA	NA	NA	NA	NA	2	3
Canton (1320)	0	0	2	0	85	0	12	0	NA	NA	NA	NA	NA	NA	0	0
Steubenville (8080)	3	0	10	0	85	0	1	0	NA	NA	NA	NA	NA	NA	0	0
Cincinnati (1640)	0	0	4	0	79	0	16	0	NA	NA	NA	NA	NA	NA	0	0
Huntington (3400)	0	0	26	0	73	0	0	0	NA	NA	NA	NA	NA	NA	0	0
Mansfield (4800)	0	0	4	0	81	100	14	0	NA	NA	NA	NA	NA	NA	2	3
Wheeling (9000)	0	0	0	0	89	0	11	0	NA	NA	NA	NA	NA	NA	0	0
Non Metropolitan Areas	1	0	8	6	74	83	17	11	NA	NA	NA	NA	NA	NA	54	80

(\*) The bank's small farm data was unreliable for 1998, as a result market share data was not used.

(\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total ***
<b>Full Scope:</b>																
Cleveland/Akron CMSA (1680/0080)	19.54	8.28	17.40	17.52	23.97	18.02	39.09	26.81	3	4.63	5.96	4.53	3.50	4.08	7,610	23
Columbus (1840)	19.07	5.45	17.99	16.85	24.61	17.08	38.33	25.44	2	5.81	4.71	5.39	4.02	4.65	6,254	19
Dayton (2000)	19.59	9.02	17.94	24.93	24.42	28.01	38.05	29.70	1	14.59	14.65	16.86	16.72	14.89	8,078	24
<b>Limited Scope:</b>																
Youngstown (9320)	20	9	18	21	23	18	39	25	6	5.3	6.1	5.6	3.3	3.8	1,214	4
Toledo (8400)	21	9	17	20	23	23	38	31	1	9.2	7.7	9.5	8.3	8.8	2,975	9
Canton (1320)	18	6	18	18	25	23	38	34	3	5.2	6.1	5.0	4.3	4.8	993	3
Steubenville (8080)	23	8	18	23	22	14	37	26	2	7.4	9.1	12.0	3.6	5.7	168	1
Cincinnati (1640)	14	2	16	11	25	25	44	52	3	5.4	1.6	4.3	4.6	6.9	763	2
Huntington (3400)	28	4	17	10	18	16	37	41	9	3.5	1.6	1.7	2.9	4.0	106	0
Mansfield (4800)	18	1	18	13	24	18	40	28	13	1.8	.8	1.2	1.3	1.1	85	0
Wheeling (9000)	21	7	20	15	22	17	37	25	1	13.8	17.0	10.9	11.1	8.9	276	1
Non Metropolitan Areas	20	4	18	13	24	17	38	29	1	12.1	6.6	8.1	8.8	10.4	4,600	14

(\*) As a % of loans with borrower income information available. No information was available for 25% loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

(\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the area

**Table 8. Borrower Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total ***
<b>Full Scope:</b>																
Cleveland/Akron CMSA (1680/0080)	19.54	16.02	17.40	23.27	23.97	26.23	39.09	32.73	1	18.85	18.65	17.43	17.87	21.79	5,875	26
Columbus (1840)	19.07	12.92	17.99	24.74	24.61	30.32	38.33	31.60	1	24.39	25.91	25.92	25.84	23.51	4,212	18
Dayton (2000)	19.59	13.96	17.94	22.38	24.42	28.89	38.05	34.05	1	23.31	22.96	21.97	21.90	26.97	3,897	17
<b>Limited Scope:</b>																
Youngstown (9320)	20	17	18	23	23	28	39	31	2	9.6	11.5	10.1	9.3	9.2	840	4
Toledo (8400)	21	14	17	21	23	29	38	35	1	29.4	24.7	27.0	30.3	33.0	2,414	10
Canton (1320)	18	11	18	25	25	34	38	30	1	18.1	14.1	16.1	20.4	21.3	677	3
Steubenville (8080)	23	16	18	19	22	31	37	34	2	15.6	22.6	14.3	16.2	13.8	135	1
Cincinnati (1640)	14	8	16	19	25	32	44	41	4	9.5	8.5	9.4	11.2	9.2	236	1
Huntington (3400)	28	3	17	11	18	27	37	59	1	43.3	23.8	28.6	44.1	49.6	410	2
Mansfield (4800)	18	9	18	21	24	30	40	39	1	20.4	17.2	20.7	24.5	19.4	309	1
Wheeling (9000)	21	10	20	19	22	33	37	38	3	14.1	9.2	12.4	15.6	16.0	135	1
Non Metropolitan Areas	20	10	18	22	24	29	38	39	1	33.9	32.6	34.0	35.7	35.7	3,776	16

(\*) As a percentage of loans with borrower income information available. No information was available for 1% loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

(\*\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income*					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
<b>Full Scope:</b>																
Cleveland/Akron CMSA (1680/0080)	19.54	4.36	17.40	11.48	23.97	15.93	39.09	29.01	4	4.99	1.74	2.83	3.19	4.27	8,926	25
Columbus (1840)	19.07	3.38	17.99	10.43	24.61	15.08	38.33	28.00	1	7.27	3.02	4.27	4.90	5.71	7,604	21
Dayton (2000)	19.59	5.05	17.94	14.32	24.42	21.94	38.05	35.54	1	8.66	3.75	6.46	7.90	9.13	5,642	16
<b>Limited Scope:</b>																
Youngstown (9320)	20	5	18	14	23	18	39	30	9	3.4	1.4	2.2	2.2	2.8	1,180	3
Toledo (8400)	21	5	17	11	23	19	38	33	3	7.7	4.5	4.8	5.7	6.7	3,096	9
Canton (1320)	18	4	18	12	25	19	38	34	2	5.3	1.6	3.0	3.6	5.8	1,245	4
Steubenville (8080)	23	3	18	8	22	17	37	34	3	6.8	2.8	2.8	4.4	5.4	260	1
Cincinnati (1640)	14	2	16	7	25	19	44	52	3	4.6	1.6	2.2	3.0	5.4	588	2
Huntington (3400)	28	2	17	8	18	11	37	44	5	6.1	1.3	3.1	2.0	5.3	176	0
Mansfield (4800)	18	9	18	16	24	24	40	25	20	1.1	.8	.3	1.1	1.0	123	0
Wheeling (9000)	21	3	20	8	22	14	37	36	2	8.2	2.7	3.7	5.2	6.3	223	1
Non Metropolitan Areas	20	3	18	9	24	16	38	31	1	13.0	4.7	6.7	8.1	10.6	6,370	18

(\*) As a % of loans with borrower income information available. No information was available for 37% loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

(\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a % of all home mortgage refinance loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES						Evaluation Period: 01/01/1999 TO 09/30/1999			
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses	
	% of Businesses *	% BANK Loans**	\$100,000 or less	> \$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****
<b>Full Scope:</b>									
Cleveland/Akron CMSA (1680/0080)	69.80	57.74	84.81	6.47	8.72	NA	NA	2,996	34
Columbus (1840)	68.44	47.20	85.08	7.53	7.39	NA	NA	1,341	16
Dayton (2000)	68.67	49.21	77.85	11.42	10.73	NA	NA	1,585	18
<b>Limited Scope:</b>									
Youngstown (9320)	70	68	83	9	9	NA	NA	613	7
Toledo (8400)	66	52	71	13	16	NA	NA	746	9
Canton (1320)	72	56	73	12	15	NA	NA	295	3
Steubenville (8080)	70	79	92	8	0	NA	NA	66	1
Cincinnati (1640)	70	58	65	16	19	NA	NA	43	1
Huntington (3400)	72	69	88	0	12	NA	NA	16	0
Mansfield (4800)	71	58	67	20	13	NA	NA	24	0
Wheeling (9000)	67	68	93	2	5	NA	NA	41	1
Non Metropolitan Areas	71	59	82	10	8	NA	NA	826	10

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small businesses.

(\*\*\*) Bank's 1998 small business data unreliable, as a result 1998 market share data was not used.

(\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a % of all small loans to businesses originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS						Evaluation Period: 01/01/1999 TO 09/30/1999			
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Farm Loans	
	% of Farms *	% BANK Loans**	\$100,000 or less	> \$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
<b>Full Scope:</b>									
Cleveland/Akron CMSA (1680/0080)	95.51	80.00	60.00	40.00	0.00	NA	NA	5	7
Columbus (1840)	94.83	0.00	0.00	0.00	0.00	NA	NA	0	0
Dayton (2000)	89.97	80.00	100.00	0.00	0.00	NA	NA	5	7
<b>Limited Scope:</b>									
Youngstown (9320)	97	0	0	0	0	NA	NA	0	0
Toledo (8400)	96	100	50	50	0	NA	NA	2	3
Canton (1320)	97	0	0	0	0	NA	NA	0	0
Steubenville (8080)	100	0	0	0	0	NA	NA	0	0
Cincinnati (1640)	95	0	0	0	0	NA	NA	0	0
Huntington (3400)	95	0	0	0	0	NA	NA	0	0
Mansfield (4800)	99	0	100	0	0	NA	NA	2	3
Wheeling (9000)	99	0	0	0	0	NA	NA	0	0
Non Metropolitan Areas	97	76	76	18	6	NA	NA	54	80

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.

(\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.

(\*\*\*) Bank's 1998 small farm data unreliable, as a result, 1998 market share data was not used.

(\*\*\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS									
Evaluation Period: 01/01/1997 to 2/22/2000									
MSA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
<b>Full Scope:</b>									
Cleveland/Akron CMSA (1680/0080)	36	6,605	263	17,457	299	24,062	50	9	1,321
Columbus (1840)	18	3,245	163	2,484	181	5,729	12	3	77
Dayton (2000)	16	2,693	107	4926	123	7,619	16	3	1,285
<b>Limited Scope:</b>									
Youngstown (9320)	14	700	31	1,495	45	2,195	5	1	550
Toledo (8400)	15	795	138	603	153	1,398	3	1	175
Canton (1320)	13	429	12	737	25	1,166	2	1	90
Steubenville (8080)	11	70	11	151	22	222	<1	0	0
Cincinnati (1640)	12	71	17	162	29	233	<1	0	0
Huntington (3400)	12	71	16	156	28	227	<1	0	0
Mansfield (4800)	12	71	10	150	22	221	<1	0	0
Wheeling (9000)	12	71	10	150	22	221	<1	0	0
Non Metropolitan Areas	62	1,431	120	3,170	182	4,601	10	1	616

(\*) "Prior Period Investments" means investments made in previous evaluation periods that are outstanding as of the examination date.

(\*\*) "Unfunded Commitments" mean legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

**Table13. Distribution of Branch Delivery System**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																		Evaluation Period: 01/01/1997 to 09/30/1999			
MSA Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population							
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography							
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp				
<b>Full Scope:</b>																					
Cleveland/Akron CMSA (1680/0080)	56	110	32	8.49	10.38	50.00	31.13	1	2	-1	0	0	2	9.06	14.89	49.86	26.13				
Columbus (1840)	13	62	18	6.67	20.00	33.33	40.00	8	2	-1	-2	-1	-2	8.98	20.12	43.27	27.60				
Dayton (2000)	9	41	12	9.76	9.76	51.22	29.26	0	1	0	0	1	0	7.10	18.13	51.99	22.78				
<b>Limited Scope:</b>																					
Youngstown (9320)	5	30	9	13	20	50	17	5	2	0	1	-2	-2	5	14	55	25				
Toledo (8400)	4	26	8	15	4	46	35	0	0	0	0	0	0	7	18	53	21				
Canton (1320)	1	10	3	0	0	70	30	1	3	0	0	1	0	4	15	61	21				
Steubenville (8080)	1	4	1	25	0	25	50	0	0	0	0	0	0	7	9	73	11				
Cincinnati (1640)	<1	1	<1	0	0	100	0	0	0	0	0	0	0	0	6	61	30				
Huntington (3400)	<1	3	1	0	33	67	0	0	0	0	0	0	0	0	13	87	0				
Mansfield (4800)	<1	1	<1	0	0	100	0	0	0	0	0	0	0	2	14	51	33				
Wheeling (9000)	<1	3	1	0	33	33	34	0	0	0	0	0	0	0	4	84	11				
Non Metropolitan Areas	9	55	13	2	22	67	9	5	1	0	0	-3	-1	1	21	63	15				