



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

December 07, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Signature Bank, National Association
Charter Number: 24264

4607 West Sylvania Avenue
Toledo, OH 43623

Office of the Comptroller of the Currency

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

INSTITUTION'S CRA RATING: This institution is rated Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors supporting the bank's rating include:

- The bank's loan-to-deposit ratio is more than reasonable and exceeds the standards for satisfactory performance.
- A majority of lending activity has occurred inside the bank's assessment area and meets the standard for satisfactory performance.
- The distribution of business loans to businesses of different sizes reflects reasonable penetration and meets the standards for satisfactory performance.
- The geographic distribution of small business loans reflects reasonable dispersion and meets the standards for satisfactory performance.
- The bank's community development (CD) activity over the evaluation period demonstrated excellent responsiveness to CD needs in the assessment area.

Scope of Examination

We evaluated Signature Bank's performance relative to the Community Reinvestment Act (CRA) under the Intermediate Small Bank (ISB) criteria using full-scope ISB examination procedures. The ISB procedures include a lending test and a Community Development (CD) test. The lending test evaluates the bank's record of meeting the credit needs of its assessment area through its lending activity. The CD test evaluates the bank's responsiveness to CD needs in its assessment area through CD loans, qualified investments and CD services.

Signature Bank National Association (SBNA) has a single assessment area (AA) for evaluation purposes. The AA consists of Lucas County which comprises a portion of the Toledo, OH Metropolitan Statistical Area (MSA).

SBNA's primary loan product is business loans which is representative of its business strategy since October 2008. SBNA's record of originating business loans was evaluated over the period between January 1, 2009 and June 30, 2011 to determine the bank's lending performance related to CRA.

The bank reports home loan data under the requirements of the Home Mortgage Disclosure Act (HMDA). However, we did not use HMDA data to evaluate the bank's performance since home loans are not a primary loan product.

We evaluated SBNA's CD performance from the date of the last CRA Performance Evaluation of October 6, 2008 through the start of this evaluation December 7, 2011.

We relied on internal bank reports to assist in this CRA evaluation. In order to ensure the reliability of this information, we performed a data integrity review of business loans. The information as presented in the bank's reports was deemed reliable for the purposes of CRA. For internal reporting purposes, SBNA considered loans to non-profit organizations as business loans.

Information from members of the local community was also considered in our analysis. We contacted four community organizations involved in affordable housing and economic development initiatives to determine the community's credit and non-credit needs. Refer to the **Description of Assessment Area** section of this document for additional details.

Description of Institution

SBNA is a full service community bank headquartered in Toledo, Ohio. As of June 30, 2011, the bank reported total assets of \$518 million. The bank is a wholly owned subsidiary of Signature Bancorp Inc., a one-bank holding company.

SBNA offers traditional banking products and services. Business loans are the bank's primary loan product. Home mortgage and consumer loans are granted primarily to accommodate existing business customers.

As of June 30, 2011, the bank's loan portfolio was comprised of real estate loans (71 percent), commercial loans (23 percent), consumer loans (3 percent) and all other loans (3 percent). The real estate portfolio is comprised of commercial real estate loans (71 percent) and residential real estate loans (29 percent).

SBNA operates a single office within its AA. This full-service branch does not offer a drive-thru or automated teller machine (ATM) service. No additional offices were opened or closed during the evaluation period.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves. The previous CRA examination dated October 6, 2008, resulted in a rating of "Satisfactory".

Description of Assessment Area

SNBA's assessment area is described below:

Table 1 - Demographic Information for Assessment Area					
Demographic Characteristics	#	Low Income	Moderate Income	Middle Income	Upper Income
Geographies (Census Tracts)	128	12.50%	27.34%	39.84%	20.31%
Population by Income Level of Geography	455,054	7.42%	24.47%	42.37%	25.75%
Family Distribution by Income Level of Geography	117,008	6.76%	23.06%	42.71%	27.47%
Owner-Occupied Housing Units by Income Level of Geography	196,259	4.05%	20.31%	45.74%	29.90%
Businesses by Income Level of Geography	35,485	5.00%	14.75%	43.00%	37.26%
Farms by Income Level of Geography	721	1.53%	12.34%	38.56%	47.57%
Distribution of Families by Income Level Throughout AA	117,008	23.13%	18.02%	21.36%	37.48%
Businesses by Revenue Level	Revenue < = 1 Million		Revenue > 1 Million		Revenue not Reported
Farm	96.67%		2.08%		1.25%
Non-Farm	64.37%		4.00%		31.62%
HUD Adjusted Median (ADM) Family Income 2009 Non-MSA Low Income (below 50% of ADM) Moderate Income (50 to 79.99% of ADM) Middle Income (80% to 119.99% of ADM) Upper Income (120% and above ADM) Households Below the Poverty Level	= \$61,700 = \$0 - \$30,844 = \$30,845 - \$49,354 = \$49,355 - \$74,034 = \$74,035 - Above = 24,868 [13.60%]		Unemployment Rate: June 2011 United States Ohio Lucas County	= 9.3% = 9.2% = 10.5%	

Sources: 2000 U.S. Census; US Department of Labor; 2011 Business Geodemographic Data. Some percentages may be greater than 100% due to rounding.

SBNA's primary AA is comprised of 128 census tracts in Lucas County. Lucas County is within the Toledo, OH Metropolitan Statistical Area (MSA). This AA is consistent with the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

COUNTY	MAJOR EMPLOYERS
Lucas	ProMedica Health Systems, Mercy Health Partners, Bowling Green State University, University of Toledo, Kroger Inc, Chrysler Group LLC

Sources: Discussion with Bank Management; Public Evaluations of Banks within Lucas County

There are 17 financial institutions serving the AA according to a June 30, 2011 Federal Deposit Insurance Corporation (FDIC) deposit market share report. These include eight

regional banks and nine community banks, operating a total of 121 offices. The number of financial institutions in the AA provides a competitive banking environment. SBNA ranked sixth, with approximately seven percent of the insured deposit market.

Local economic conditions for the AA have weakened during the evaluation period but are slowly recovering. This includes the continued loss of manufacturing jobs, uncertainty regarding continued employment in existing industries, and disruption in the financial markets resulting in an economic recession. Unemployment rates rose from 8.7 percent in October 2008 and peaked at 13.6 percent in June 2009. The unadjusted unemployment rate at June 2011 for Lucas County was 10.5 percent. This unemployment rate is above both the State of Ohio and national unadjusted unemployment rates of 9.2 percent and 9.3 percent, respectively. Manufacturing, education, business services, and health services provide for a majority of the employment opportunities in the area.

We determined the community's credit needs by contacting representatives from affordable housing and economic development organizations, as well as conducting discussions with bank management. Credit and non-credit needs of the community include:

- Funding for small business development and microloan programs to start a new business or expand an existing business.
- Local banker participation on an agency board as mentors, instructors, or providing general operating support.
- Providing working capital loans and lines to small businesses.
- Participation in the port authority low-cost loan program to promote business start-ups and create growth in the Toledo area.
- Funding for foreclosure prevention programs and hiring of additional staff to meet increased demand from low- and moderate-income households facing foreclosure.

We also discussed with these same representatives the needs and opportunities available for CD loans, qualified investments and CD services. CD needs for the community include:

- Providing funds to affordable housing organizations for neighborhood rehabilitation and stabilization efforts.
- Funding to develop a youth entrepreneurship program.

Conclusions with Respect to Performance Tests

SBNA's Lending Test performance rating is Satisfactory. SNBA is rated Outstanding under the Community Development (CD) test.

LENDING TEST

SBNA's Lending Test performance rating is Satisfactory. Our evaluation is based on internal loan reports of business loans originated within the AA during the evaluation period. The bank originated a majority of its loans within the AA, and the bank's loan-to-deposit ratio is more than reasonable. The bank's distribution of business loans to businesses of different size reflects reasonable penetration to small businesses within the AA. Similarly, the geographic distribution of business loans reflects reasonable dispersion in low- and moderate-income geographies.

Loan-to-Deposit Ratio

The bank's net loan-to-deposit ratio is more than reasonable and exceeds the standards for satisfactory performance given the bank's size, financial condition, and the credit needs of the bank's AA. The bank's average quarterly loan-to-deposit ratio over the 12 quarters ending June 30, 2011 was 91.34 percent. This was well above the 82.80 percent experienced by its peer group of banks during the same period.

Lending in Assessment Area

SBNA originated a majority of its primary loan product within its AA and meets the standard for satisfactory performance for this criterion. Our conclusion is based on internal bank reports of all business loans originated during the evaluation period. We found the bank originated 69.30 percent of the loans by number and 62.00 percent by dollar amount inside the assessment area.

The following table details SBNA's lending inside and outside the AA by number and dollar amount:

Table 2 - Lending in Assessment Area (Business Loans)									
Number of Loans				Dollars of Loans (000s)					
Inside AA		Outside AA		Total #	Inside AA		Outside AA		Total \$
#	%	#	%		\$	%	\$	%	
559	69.30	248	30.70	807	195,316	62.00	119,791	38.00	315,107

Source: Internal loan reports of business loans originated in the AA from January 2009 through June 2011.

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

The overall distribution of loans reflects reasonable penetration to businesses of different sizes. In determining the level of penetration among businesses of different sizes, we considered several factors including the bank's size, its single office serving the entire AA, the bank's business strategy, and the level of competition in the market.

The distribution of business loans reflects reasonable penetration among businesses of different sizes. Although the percentage of loans originated by number and dollar amount to small businesses is significantly below the demographic information, performance is reasonable given that approximately one-third of the demographic information represents businesses whose revenue information is unknown or

unavailable. This is also mitigated by the active role the bank takes in the Ohio Grow Now Program directed toward small businesses and in lending to non-profit organizations which directly assist low- and moderate income individuals and families.

The bank continued its participation in the Ohio Grow Now Program (formerly known as the Ohio Small Business Linked Deposit Program) throughout the evaluation period. This program helps small businesses with below market interest rates to allow existing businesses to create or retain jobs and expand their business. The bank granted nine loans under this program for a total of \$2.4 million. Although the number of loans made during the evaluation period is lower than the previous evaluation report, the bank continues to provide funding to 32 businesses under this program for a total of \$3.4 million.

A new linked deposit program began in 2011 by the Sylvania Area Community Investment Corporation to assist small businesses in its community. SBNA is participating in the program and has approved one loan of \$50 thousand to an existing business in that city.

SBNA is also an active lender to non-profit organizations. The bank reports non-profit organization loans as business loans for internal reporting purposes. Since many of these organizations receive federal, state and local government funding along with donations, their revenues often exceed \$1 million which lowers the bank's overall percentage in this rating element. Many of these organizations directly assist low- and moderate-income individuals and families meeting the CRA regulation criteria. The bank received credit for this type of lending under the CD lending section of this evaluation.

The following table shows the distribution of business loans to businesses of different sizes:

Table 3 - Borrower Distribution of Loans to Businesses in the AA				
Business Revenues (or Sales)	$\leq \$1,000,000$	$> \$1,000,000$	Unavailable/ Unknown	Total
% of AA Businesses	64.37	4.00	31.62	100.00
% of Bank Loans in AA by #	42.93	49.38	7.69	100.00
% of Bank Loans in AA by \$	38.09	57.04	4.86	100.00

Source: Internal loan reports of business loans originated within the AA from January 2009 through June 2011; Business Geodemographic Data.

Geographic Distribution of Loans

The geographic distribution of business loans reflects reasonable dispersion among most geographies within the AA. The percentage of business loans made in both low- and moderate-income census tracts is comparable to the percentage of businesses in each of those tracts.

In evaluating geographic distribution we considered several factors including the bank's business strategy, the location of the bank in the northwest section of Lucas County, its single office serving the entire AA, and the level of competition in the market. This performance is also mitigated by the same factors as discussed in the **Lending To Businesses of Different Sizes** section of this document.

The following table shows the geographic distribution of business loans:

Table 4 - Geographic Distribution of Loans to Businesses in the AA							
Low-Income		Moderate-Income		Middle-Income		Upper-Income	
% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
5.00	4.30	14.75	12.20	43.00	36.50	37.26	47.00

Source: Internal loan reports of business loans originated within the AA from January 2009 through June 2011; Business Geodemographic Data.

Responses to Complaints

SBNA has not received any written complaints during the evaluation period regarding its performance in meeting the credit and deposit needs of its AA.

COMMUNITY DEVELOPMENT TEST

SBNA is rated Outstanding under the Community Development (CD) test. SBNA exhibited excellent responsiveness in providing CD lending, qualified investments, and CD services within the bank's AA. All CD related activity in this report benefited the bank's AA.

Although SBNA has been open for business just under ten years, management is committed to meet the community's needs through CD loans, qualified investments, and participating in CD services. The bank demonstrated excellent responsiveness to lending to non-profit organizations that are involved in a variety of services for low- and moderate-income individuals and families including affordable housing.

There are numerous CD activities banks can participate in for the Lucas County AA. The AA is comprised of a number of organizations that provide affordable housing, services for low- and moderate-income people, and economic development activities. However, the economic disruption of financial markets and subsequent recession during the evaluation period limited the bank's capacity to participate in CD activities at the same levels as in previous years. Given this change in economic climate between evaluation periods, the bank continued its strong efforts to meet the CD needs of its AA.

Number and Amount of Community Development Loans

The bank's CD lending performance over the evaluation period reflects excellent responsiveness in meeting community CD lending needs. SBNA is an active lender to non-profit organizations, many of which assist in providing affordable housing, promote economic development, and a broad range of services to help meet the needs of low- and moderate-income individuals and families. CD lending consists of lending that supports affordable housing targeted to low- and moderate-income individuals, promote economic development, and activities to revitalize or stabilize certain geographic areas.

During the evaluation period the bank made 20 CD loans for a total dollar amount of \$5.76 million and issued 12 letters of credit for \$1.29 million. This represents a high level of CD lending. The following are examples of CD loans made by the bank.

Affordable Housing

The bank granted a \$750,000 line-of-credit to a non-profit organization to assist in funding home mortgage loans in the community. This non-profit organization is a Community Development Financial Institution (CDFI), one of only three in Lucas County whose goal is to promote homeownership through an array of loan products, housing and credit counseling, grants, etc. Through the efforts of this organization affordable housing is provided to low- and moderate-income people who otherwise would not be able to qualify under normal bank underwriting standards.

The bank is very involved in an organization that also provides affordable housing. Lending activity by SBNA to this organization includes a line of credit to support funding of home construction and financing of site improvements to a new location. The bank made two loans to this organization for a total dollar amount of \$410 thousand over the evaluation period.

Organizations Providing Services to Low- and Moderate-Income Individuals

Loans were provided to a nonprofit organization engaged in family counseling, substance abuse treatment, domestic violence counseling, vocational training, etc. The majority of the people this organization serves are low- and moderate-income individuals and families. The bank has provided a working capital line of credit to this organization for \$1.75 million.

Loans were provided to a non-profit organization which provides services for low- and moderate-income adults and children with developmental disabilities and support for their families. This organization operates five group homes along with adult and pediatric day care programs. Loans included a line of credit for working capital, a purchase of two mini-busses, and refinancing of a vehicle and existing commercial debt. Four loans were granted for \$1.36 million.

SBNA granted loans to a nonprofit organization that offers emergency and rescue residences as well as transitional housing for low- and moderate-income individuals and

families. Two loans were granted to provide working capital and refinance existing commercial debt for a total of \$481 thousand.

The bank provided loans to a non-profit agency that operates various programs primarily to low- and moderate-income individuals and families. These programs include a food pantry, homeless shelter, homeless prevention, and food stamp outreach. The bank provided loans for working capital and to consolidate office space. Two loans were granted for \$171 thousand.

Organizations for Revitalizing and Stabilizing Low- and Moderate Geographies

SBNA provided letters of credit to a local home construction firm who was contracted to build 24 homes within the city of Toledo by a non-profit corporation specializing in neighborhood rehabilitation programs in low- and moderate-income geographies. Twelve letters of credit to support this project was supplied by the bank for \$1.29 million. In addition, this same construction firm was granted a \$206 thousand line of credit to repair properties for the Lucas County Metropolitan Housing Authority.

The bank granted loans to a non-profit corporation whose housing programs include new house construction, renovation of existing properties, down payment assistance, credit counseling, exterior repair loans, owner-occupied repairs, and rental rehab. The bank provided lines of credit for working capital and home repair purposes and a term loan for site improvements. Three loans were granted for \$332 thousand. All work was performed in low- and moderate-income geographies.

Other Activity

SBNA has made various other loans that had CD characteristics, but did not qualify as a CD loan under the technical definition. The bank provided credit cards to several CD organizations for its employees and staff. A total of 48 cards were issued to seven organizations for \$94 thousand. The bank also provided a \$4 million line of credit to a real estate investment company who is the leading FHA and VA lender in Lucas County for home purchases. This company also provides assistance to first time homebuyers and offers hardship counseling and foreclosure alternatives to its homeowners.

Number and Amount of Qualified Investments

The level of qualified investments by the bank represents excellent responsiveness to community CD investment needs. Qualified investments are investments, deposits, membership shares, or grants that have community development as their primary purpose, as defined in the CRA regulation.

The bank made 42 qualified donations for \$121,350. The bank provided donations to a wide-range of CD activities through organizations involved in affordable housing, economic development, and organizations involved in providing a variety of services to low- and moderate-income individuals and families. The following are examples of some qualifying investments.

Affordable Housing

SBNA has made annual donations of \$5,000 as part of an annual fund raising event to build affordable housing in the community. The bank has also been very active in providing loan financing to this organization.

Activities that Promote Economic Development

The bank completed its final \$10,000 annual payment of a five-year pledge to help provide funding for a local economic development initiative. The purpose of this initiative is to increase development activity by providing jobs to the local area through assisting businesses and providing access to a variety of financial programs. The bank subsequently made a new five-year pledge of \$100 thousand to this same organization. The first \$20,000 annual payment was made in 2011.

Revitalize or Stabilize Low- or Moderate-Income Geographies

SBNA made contributions to three organizations whose purpose is to revitalize or stabilize low- and moderate-income geographies for a total of \$1,460.

Organizations that Provide Services to Low and Moderate-Income Individuals

The bank provided donations to a wide range of organizations that provided services to low- and moderate-income individuals and families. Some examples include: cash donations to two organizations involved in providing food to the needy of \$11,500; donations of \$6,930 for two non-profit healthcare related organizations that help low- and moderate-income individuals; and donations of \$17,370 that were directed at two organizations involved with children who are primarily from low- and moderate-income families.

SBNA purchased an economic development bond in the bank's AA during the previous evaluation period of \$3.12 million. Although consideration was given for that purchase in the last performance evaluation, the bond continues in force and has a current balance of \$2.19 million.

Community Development Services

The bank's CD services performance over the evaluation period reflects excellent responsiveness to community CD services needs. Bank officers serve in leadership positions on organizations that provide community services to low- and moderate-income families and provide technical expertise and financial assistance to these organizations. This includes organizations that provide affordable housing. Bank officers also serve in leadership positions on organizations that are involved in economic and small business development activities. Some examples of organizations that bank employees participated in over the evaluation period include the following.

Small Business Organizations

A senior bank officer serves as a trustee for a Lucas County organization whose goal is to assist small businesses. This organization provides northwest Ohio businesses with access to a variety of financial programs and incentives to assist companies to grow and prosper.

An officer of the bank serves on the board and chairs the investment committee of an organization that promotes economic development. This organization is involved in the linked deposit program that is directed at small businesses, water and sewer revolving loan fund, enterprise zone tax incentive, and other tax incentive programs.

Affordable Housing

The bank is very involved in an organization that provides affordable housing for the area. The bank has donated money, provided loans, and bank employees have played a leadership role in this organization. A senior bank officer is on the board of directors of this organization and another employee served as a board member during the evaluation period.

An officer of the bank serves as a board member on a non-profit organization that helps individuals with autism. More than a majority of the people served by this organization are from low- and moderate-income families. This organization provides housing for adults with autism. The housing is funded in part by HUD.

Organizations that Assist Low- and Moderate-Income People

An officer of the bank serves on a non-profit organization that primarily serves low- and moderate-income individuals and families with substance abuse treatment, domestic violence counseling, vocational training, and family counseling. This employee of the bank serves as the Treasurer on the board of directors for this organization. The bank has also assisted this organization by providing loan financing.

An employee is a board member and treasurer of an organization that targets area youth by engaging them in community activities directed at those in need, which include services such as: painting, cleaning, landscaping, and other services to low- and moderate-income individuals and families.

An officer of the bank serves on the finance committee of an organization specializing in substance abuse treatment. This organization primarily serves low- and moderate-income individuals and families.

Responsiveness to Community Development Needs

In summary, SBNA has demonstrated excellent responsiveness through its CD loans, qualified investments, and its CD services to the CD lending, investment and service needs within its AA relative to the bank's size and capacity.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.