



PUBLIC DISCLOSURE

September 5, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Hancock County Savings Bank, F.S.B.
Charter Number 702808

351 Carolina Avenue
Chester, WV 26034-1127

Office of the Comptroller of the Currency

Corporate One Office Park, Bldg 2
4075 Monroeville Blvd, Suite 300
Monroeville, PA 15146-2529

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating: This institution is rated Outstanding.

The Lending Test is rated: Outstanding.

The Community Development Test is rated: Outstanding.

The major factors supporting the institution's rating include:

- Hancock County Savings Bank (HCSB or "the Bank")'s level of lending, as indicated by the loan-to-deposit ratio when compared to peers, is considered more than reasonable.
- A majority of the Bank's primary loan products were originated inside its assessment area (AA).
- The distribution of loans exceeds the standard of reasonable distribution among borrowers of different income levels given the demographics of the Bank's AA and local economic conditions.
- The geographic distribution of loans exceeds the standard of reasonable distribution in the low-and moderate-income tracts considering there are no low-income tracts in the AA and only two moderate-income tracts in the AA.
- HCSB's community development (CD) activities demonstrate excellent responsiveness to the credit needs of its AA through CD loans, qualified donations/investments, and services when considering the Bank's capacity, performance context, and the availability of CD opportunities.

Definitions and Common Abbreviations

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

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

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

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

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

Description of Institution

Established in 1899, Hancock County Savings Bank, F.S.B. (“HCSB” or “the Bank”) is a federally chartered mutual savings bank located in Chester, Hancock County, West Virginia with total assets of \$343 million as of December 31, 2016. The Bank is a single state institution and operates as a community-oriented financial institution offering residential mortgages, multi-family and commercial mortgages, consumer loans, and commercial business loans, as well as a range of deposit products for individuals and businesses. There are no affiliated or related organizations within the HCSB corporate structure.

Within its AA, HCSB operates three (3) full service offices and one (1) drive-through office within Hancock and Brooke Counties. Hancock and Brooke Counties are the two (2) most northern counties in the West Virginia Northern Panhandle. The Bank did not open nor close any offices during the evaluation period. Each full-service office offers traditional deposit and loan products and services. Drive-up window and automated teller machine (ATM) services are available at all office locations. The Bank also offers an informational internet website, www.hcsbank.com, and on-line banking services.

Table 1 below lists HCSB’s branch locations, geographic income classification, and hours of operation as of September 5, 2017.

Table 1: HCSB Branches September 5, 2017				
Branch (City)	County	Geographic Income Level	Lobby Hours	Drive Thru Hours
Corporate (Chester)	Hancock	Middle	Mon-Fri 8:30AM to 4PM Sat 8:30AM to 12PM	Mon-Fri 8AM to 6PM Sat 8:30AM to 1PM
New Cumberland (New Cumberland)	Hancock	Middle	Mon-Fri 9AM to 3PM Sat CLOSED	Mon-Fri 9AM to 5PM Sat 9AM to 12PM
Three Springs Drive (Weirton)	Brooke	Middle	Mon-Fri 8:30AM to 4PM Sat 8:30AM to 12PM	Mon-Fri 8AM to 6PM Sat 8AM to 1PM
Penco Road (Weirton)	Hancock	Middle	Drive-Thru only	Mon-Fri 9AM to 5PM Sat CLOSED

Data obtained from HCSB’s branch hours of operation listed at the Bank’s website: www.hcsbank.com.

HCSB continues to operate primarily as a mortgage portfolio lender. The Bank's mortgage products include fixed-rate and adjustable-rate loans for the purchase, refinance, and construction of one- to four-family and multi-family dwellings. Consumer loan offerings consist of home equity loans and lines of credit, and personal secured and unsecured loans. Commercial loans secured by real estate and other collateral are offered to businesses.

Table 2 shows the distribution of loans by lending category.

Table 2 - Hancock County Savings Bank's Investment in Loans			
Loan Category	Amount (\$000's)	Percent of Total Loans	Percent of Total Assets
Real Estate Loans	\$262,787	97.4%	76.5%
Commercial & Other Loans	\$836	0.3%	0.2%
Consumer Loans	\$6,066	2.2%	1.8%
Total Loans	\$269,689	100.00%	78.5%

Source: December 31, 2016 Uniform Bank Performance Report

According to the June 30, 2016 FDIC Summary of Deposits Market Share Report, HCSB was ranked 2 out of 8 institutions in their AA with 33.1 percent of total deposits. WesBanco Bank, Inc. is ranked first with four (4) offices and 35.5 percent of the deposits. Other financial institutions include United Bank with two (2) offices and 8.6 percent of the deposits, First National Bank of Pennsylvania with two (2) offices and 7.6 percent of the deposits, and Main Street Bank Corp with one (1) office and 5.6 percent of the deposits.

In 2015, there were 169 lenders that originated HMDA loans in the AA, according to the HMDA Peer Mortgage Data Report. HCSB was ranked first for home purchase, home refinancing, and home improvement loans. The Bank originated a total of 332 loans with a market share of 19.0 percent. Competition in the AA is reasonable with The Huntington National Bank, Wesbanco Bank, Inc., and Quicken Loans as the second through fourth place lenders with market shares of 7.4 percent, 6.1 percent, and 6.0 percent respectively. Other competitors consisted of larger regional banks, small banks, credit unions, and mortgage brokers with nationwide sources of funding.

There are no legal or financial factors impeding the Bank's ability to help meet the credit needs in its AA. At the prior CRA examination dated January 27, 2014 HCSB was rated "Outstanding."

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated the Bank using the Intermediate Small Bank (ISB) Community Reinvestment Act (CRA) examination procedures, which includes 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 areas (AAs) through its lending activities. The CD test evaluates the Bank's responsiveness to CD needs in its AAs through CD lending, qualified donations and/or investments, and services.

The evaluation period for the Lending Test covers the Bank's performance from January 1, 2014 through December 31, 2016, as this timeframe is representative of HCSB's lending strategy since the previous CRA Public Evaluation (PE). The evaluation period for the CD test is from January 27, 2014, the date of the prior CRA PE, through September 5, 2017.

As reported via the December 31, 2016 Uniform Bank Performance Report, residential lending constitutes the majority of the Bank's lending operations, representing more than 97 percent of the overall loan portfolio. As such, HCSB's primary loan products are residential mortgages, including home purchase, home refinance, and home improvement loans.

Data Integrity

HCSB reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). As part of our evaluation, we tested the Bank's HMDA data for residential real estate loans originated and determined the data to be reliable. Specifically, we tested the accuracy of HCSB's HMDA loan data by comparing it against HCSB's loan file documentation.

Selection of Areas for Full-Scope Review

HCSB has one AA. We performed a full-scope review for this AA.

Ratings

The Bank's overall rating is based solely on the full-scope review of its one AA.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

Conclusions with Respect to Performance Tests

LENDING TEST

The Bank's performance under the Lending Test is rated Outstanding given the identified credit needs of the AA. The Bank's net loan-to-deposit ratio is more than reasonable and the majority of loans are originated in the established AA. Given performance context, the distribution of loans exceeds the standard of satisfactory performance among individuals of different income levels. The geographic distribution of loans exceeds the standard for satisfactory performance among moderate-income geographies as there are no low-income geographies in the AA.

Loan-to-Deposit Ratio

The Bank's net loan-to-deposit ratio is more than reasonable given the Bank's size, financial condition, and AA credit needs. HCSB's quarterly net loan-to-deposit ratio has averaged 94 percent over the last 14 quarters since the previous CRA evaluation dated January 27, 2014. Over this period, the loan-to-deposit ratio ranged from a quarterly low of 88 percent to a high of 98 percent. HCSB's loan-to-deposit ratio is comparable to the national peer group of like institutions grouped by similar size and location, which averaged 58 percent over the same period.

Lending in Assessment Area

A majority of HCSB's primary loan products were made inside the Bank's AA. Approximately 60 percent of loans were originated within the AA.

Table 3 details the Bank's lending activities within the AA by number and dollar amount of loans.

Loan Type	Number of Loans					Dollars of Loans (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase Loans	355	53.18	310	53.21	665	\$34,387	53.21	\$30,232	46.79	\$64,619
Home Refinance Loans	211	65.12	113	4.14	324	\$19,893	59.27	\$13,673	40.73	\$33,566
Home Improvement Loans	234	67.05	115	3.92	349	\$13,483	65.08	\$7,235	34.92	\$20,718
Totals	800	59.79	538	40.21	1,338	\$67,763	56.99	\$51,140	43.01	\$118,903

Source: 2014 - 2016 HMDA Data based on 2010 Census data.

Lending to Borrowers of Different Incomes

The distribution of home loans exceeds the standard for reasonable distribution among borrowers of different income levels given the demographics of HCSB's AA, local economic conditions, competition within this area, and the limited availability of homes in the lending area.

The percentages of home purchase loans made to both low- and moderate-income borrowers are within a reasonable range below the percentage of peer aggregate lending data, the Bank's primary comparator. The percentage of home refinance loans to low-income borrowers is within a reasonable range above the comparator, while the percentage of home refinance loans to moderate-income borrowers is significantly lower than the comparator. Home improvement loans made to low-income borrowers significantly exceeds the comparator, while the percentage of home improvement loans made to moderate-income borrowers is significantly lower than the comparator.

For additional performance context in this area, we considered the following information. Almost 12 percent of the population is below the poverty level. The weighted average median cost of housing is \$95,913 in the AA with limited availability of quality homes for purchase. Low-income AA families, by definition, are families with annual income below \$35,107. Moderate-income AA families, by definition, are families with annual income between \$35,108 and \$56,171. This income may prevent low- and moderate-income families from purchasing a decent home, and lead them to rent instead. Rental units make up 21 percent of the total housing market, with only 1.25 percent rental vacancy. Additionally, based on 2010 U.S. Census data, almost 19 percent of the population in the AA are persons age 65 and older. Persons of this age are generally not in the market for a mortgage loan, which limits HCSB's opportunity to lend to this demographic.

Table 4 illustrates the distribution of home loans to borrowers of different income levels within the Bank's AA.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of Agg. Data	% of Loans	% of Agg. Data	% of Loans	% of Agg. Data	% of Loans	% of Agg. Data	% of Loans
Home Purchase	8.27	7.43	26.73	22.86	29.23	22.00	35.77	47.71
Home Refinance	5.63	5.77	21.72	13.46	25.74	23.08	46.92	57.69
Home Improvement	5.73	8.41	28.03	18.58	26.11	26.99	40.13	46.02

Source: HCSB HMDA data January 1, 2014 – December 31, 2016, 2010 US Census data.

Geographic Distribution of Loans

The geographic distribution of loans exceeds the standard for satisfactory distribution in the moderate-income tracts considering the Bank has only two moderate-income tracts in their AA. There are no low-income geographies in the AA, therefore it would not be meaningful to perform an analysis. We found no conspicuous gaps or areas of low activity in the Bank's lending patterns.

The percentages of home purchase and home refinance loans made in moderate-income geographies are within a reasonable range above the percentage of peer aggregate lending data, the primary comparator. The percentage of home improvement loans made in moderate-income geographies significantly exceeds the comparator. With no low-income geographies and only two moderate-income geographies, based on these performance context factors, we consider the Bank's geographic distribution of loans to be excellent.

Table 5 illustrates the distribution of home loans originated to borrowers in its AA geographies of different income levels.

Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of Agg. Data	% of Loans	% of Agg. Data	% of Loans	% of Agg. Data	% of Loans	% of Agg. Data	% of Loans
Home Purchase	0.00	0.00	9.90	11.83	82.18	77.75	7.92	10.42
Home Refinance	0.00	0.00	8.27	10.90	84.87	79.15	6.86	9.95
Home Improvement	0.00	0.00	7.23	11.54	87.95	75.64	4.82	12.82

Source: HCSB HMDA data January 1, 2014 – December 31, 2016, 2010 US Census data.

Responses to Complaints

There were no CRA complaints received by the Bank or the agency since the prior examination regarding performance in meeting the credit needs of HCSB's established AA.

COMMUNITY DEVELOPMENT TEST

The Bank's performance under the CD test is rated Outstanding. HCSB's CD activities demonstrate excellent responsiveness to the credit needs of its AA through CD loans, qualified donations/investments, and services when considering the Bank's capacity, performance contest, and the availability of CD opportunities.

Number and Amount of Community Development Loans

The Bank's CD lending reflects excellent responsiveness to CD needs within its AA. The Bank originated eight loans totaling approximately \$2.9 million, and an additional two loans totaling \$120 thousand outside of their AA but in the Weirton-Steubenville WV-OH MSA during the evaluation period that qualified as CD loans. The CD loans made by the Bank provided financing for organizations that revitalize low- or moderate-income geographies, and/or provided community services targeted towards low- and moderate-income individuals.

Highlights of a few of the Bank's CD loans are as follows:

- A \$1.265 million loan made to refinance a CRA community development project and gain additional funds for improvements. This project is located in a moderate-income CT and provides services to low-and moderate-income individuals.
- A \$1 million loan made to fund the construction of a medical building. The medical building is located in a moderate-income CT and provides health services to low- and moderate-income individuals.
- A \$155 thousand loan made to purchase a commercial office building. The commercial building is located in a moderate-income CT and will provide services to low- and moderate-income individuals.
- A \$148 thousand loan made to provide five new police cruisers. The police department is located in a moderate-income CT and the new vehicles will enable the department to provide public safety to low- and moderate-income individuals.

Number and Amount of Qualified Investments

HCSB has an excellent responsiveness when identifying and addressing the needs and opportunities for community development investments/donations, in and outside of the Bank's AA. There were limited investments available inside the Bank's AA, and available to all banks including HCSB, during the evaluation period. However, HCSB did choose to fund 17 Community Development investments within either within its MSA (48260), on a statewide (WV) level and through investments in national minority-owned and community development financial institutions (CDFI), totaling \$5.1 million during this evaluation period. Additionally the Bank made 139 donations for \$113.5 thousand in the AA and another 6 donations for almost \$12 thousand outside the AA.

Highlights of a few of the Bank's CD investments/donations are as follows:

- The Bank invested \$1.2 million in five CDFIs. The banks are primarily nationwide and are not based within the bank's AA, MSA or state of West Virginia.
- The Bank invested \$750 thousand in the Pennsylvania State Housing Finance Agency. The general obligation bond helps support the Agency which provides safe affordable housing to low- and moderate-income borrowers.
- The Bank invested \$735 thousand in three minority-owned community development banks. The banks are located primarily nationally and are not based within the bank's AA, MSA or state of West Virginia.
- The Bank invested \$515 thousand in a local civic center/arena to support the renovations and improvements needed to keep this primary employer stabilized within a low-income census tract. The arena is located just outside the Bank's AA, but within the MSA of Wheeling, WV-OH (48530).
- The Bank invested \$250 thousand in a refunding and improvements revenue bond for a local university located within a low-income census tract. The funds will be utilized to expand living and education facilities that will support low- and moderate-income households and further stabilize the jobs found in this low-income census tract.

Extent to Which the Bank Provides Community Development Services

HCSB displayed excellent responsiveness when identifying and addressing the CD service needs of the AA. The Bank's services are accessible to geographies and individuals of different income levels in the AA through its branch offices, ATM network, and other delivery systems. HCSB operates three full-service branches and one drive-through office, all of which are located in middle-income CTs within Brooke and Hancock counties.

HCSB participated in 63 services totaling over one thousand hours in its AA, and an additional 10 services outside of its AA since 2014. Several members of HCSB's senior management team lent their experience as professional Bankers to various organizations that promote community service, economic development, and revitalize the local communities based within the Bank's AA. This includes serving as board or finance committee members for organizations that support the financial needs of low- to moderate-income (LMI) families in the area. In addition, many bank employees participated in services by presenting financial literacy courses at events geared toward LMI individuals, and dedicating time as bell ringers for the annual kettle collections.

A few of the CD services in which HCSB participated are described below.

- HCSB's officers serve as board members, finance committee members, and treasurers for various organizations that focus on providing LMI families with food and other basic items, as well as completing fundraisers to support these families.

- HCSB's officers also travel to local organizations to educate LMI borrowers about HCSB's new 80/20 loan program that helps LMI borrowers purchase a home. The program provides 100 percent financing, reduced interest rates and closing costs, and contains no private mortgage insurance, application fee, or maximum or minimum loan amounts.
- HCSB's employees go to local area schools that have a majority of LMI students to teach them about various financial topics including check writing, deposits and loans, and budgeting money.
- Both HCSB's officers and employees dedicate time during the holiday season to volunteer for the annual kettle collection that provides funds for local charities to support LMI families.

Responsiveness to Community Development Needs

The Bank's CD performance through loans, denotations/investments, and services demonstrates excellent responsiveness when considering HCSB's capacity, AA credit needs, and the availability of CD lending opportunities.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/2014 to 12/31/2016) Investment and Service Tests and CD Loans: (01/27/2014 to 09/05/2017)	
Financial Institution	Products Reviewed	
Hancock County Savings Bank (HCSB) Chester, WV	Residential Mortgages to include home purchase, home refinance, and home improvement loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
No affiliates		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Weirton-Steubenville, WV-OH MSA (48260)	Full-Scope	

Appendix B: Community Profile for Full-Scope Area

Hancock AA

Demographic Information for Full-Scope Area: Hancock AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	16	0.00	12.50	81.25	6.25	0.00
Population by Geography	60,120	0.00	10.45	83.37	6.18	0.00
Owner-Occupied Housing by Geography	19,924	0.00	8.54	84.40	7.07	0.00
Business by Geography	22,742	0.00	10.72	85.41	3.87	0.00
Farms by Geography	79	0.00	6.33	89.87	3.80	0.00
Family Distribution by Income Level	17,381	19.63	19.23	21.63	39.51	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	6,754	0.00	14.47	79.75	5.79	0.00
Median Family Income		62,105	Median Housing Value		\$95,913	
2011 HUD Adjusted Median Family Income		70,214				
Households Below Poverty Level		12.0%	WV Unemployment Hancock Co (WV)		5.1%	
			Brooke Co (WV)		5.7%	
			(Dec 2016 Bureau of Labor Statistics)		5.8%	

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

Source: 2010 U.S. Census, and 2016 FFIEC updated MFI.

The Bank's AA includes all of the counties of Hancock County WV and the northern portion of Brooke County WV, which are located in the Weirton-Steubenville, WV-OH MSA (48260). The AA also includes portions of Beaver and Washington County which are located in Western Pennsylvania, within the Pittsburgh MSA (38300). The Bank has not made any changes to the AA since 2000.

The AA contains 16 geographies. There are no low-income census tracts, two (2) moderate-income census tracts, thirteen (13) middle-income census tracts, and one (1) upper-income census tract within the AA. HCSB operates three (3) full service offices and one (1) drive-through office within Hancock and Brooke Counties. Hancock and Brooke Counties are the two (2) most northern counties in the West Virginia Northern Panhandle. Each full-service office offers traditional deposit and loan products and services. Drive-up window and automated teller machine (ATM) services are available

at all office locations. According to the June 30, 2016 FDIC Summary of Deposits Market Share Report, HCSB was ranked 2 out of 8 institutions in their AA with 33.1 percent of total deposits. The top five institutions in the AA by deposit share are WesBanco Bank Inc., HCSB, United Bank, First National Bank of Pennsylvania, and Main Street Bank Corp.

According to the 2010 U.S. Census, total population was 60,120, and the distribution of families by income level was 19.6 percent low-income, 19.2 percent moderate-income, 21.6 percent middle-income, and 39.5 percent upper-income.

Employment and Economic Factors

We reviewed economic data from the Bureau of Labor Statistics and West Virginia Department of Commerce related to unemployment rates and employers for Brooke and Hancock counties. The unemployment rates for these counties were 5.8 and 5.7 percent as of December 31, 2016, respectively. According to Moody's Analytics, the Weirton-Steubenville WV-OH MSA is one of the nation's weakest performing economies with persistent population losses and a declining labor force participation. Longer-term, weak demographics and a lack of secondary drivers will ensure the area as an underperformer. The five major employers in Brooke County are the Weirton Medical Center, Brooke County Board of Education, Ball Metal Food Container, LLC, Rue 21, Inc., and Wal-Mart Associates, Inc. The five major employers in Hancock County are Mountaineer Park, Inc., ArcelorMittal USA, Inc., The Homer Laughlin China Company, Hancock County Board of Education, and Bellofram Corporation. Rates of poverty among families in the AA in Brooke and Hancock counties were 9.8 percent and 15.1 percent, respectively.

Housing

There are limited opportunities for residential mortgage lending in this AA since there are no low-income geographies and only two moderate-income geographies. Additionally, there is a low number of quality housing units, high rate of owner occupancy, high unemployment, and a high poverty rate. Home ownership in moderate-income geographies is difficult due to high median housing prices compared to median family incomes, and a poverty rate of 12.0 percent in the AA. According to the 2010 US Census, the median housing value estimate was \$95,913. Median home prices are relatively high in the AA when coupled with a median family income of \$70,214 (according to the 2016 FFIEC updated MFI). Low-income AA families, by definition, are families with annual income below \$35,107. Moderate-income AA families, by definition, are families with annual income between \$35,108 and \$56,171. These income levels could make it difficult to afford housing at the median housing value in this AA for LMI borrowers.

Additional factors include that the housing mix indicated by the 2010 U.S. Census were owner-occupied housing at 71.1 percent, rental occupied units were 19.9 percent, and vacant units were 9.1 percent. Also, the median age of housing stock is higher in the

moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing typically has lower purchase prices, but often cost more to maintain. Per the 2010 U.S. Census, the median age of housing was 57 years for moderate-income geographies. Furthermore, according to the 2010 US Census data for this AA, 18.5 percent report owners over 65 years of age, 29.4 percent report retired owners, and 38.3 percent derive income from social security.

The above demographic factors highlight the AA's aging population which corresponds to a decreased demand for homes loans. Consequently, the above demographic and economic factors, along with limited quality available housing within the Bank's AA limits both the opportunity for and demand of residential mortgage loans.

Community Contact

We reached out to a local community contact for an assessment of the local market area and the community development needs that are most needed for low- and moderate-income and at-risk communities. We contacted a local community action and health agency whose mission is to provide a variety of services focused on health and housing to LMI individuals and families. The contact noted that the region continues to be dominated by the oil and gas industry. The Marcellus Shale industry has provided economic benefit to the community, however it has been detrimental to the housing market as the influx of transient workers has caused rental rates to increase. The contact specifically stated that affordable and quality housing and economic development are the primary needs of the community. When asking about the performance of local financial institutions, the contact specifically mentioned that Hancock County Savings Bank has a positive image in the community.