



## **PUBLIC DISCLOSURE**

APRIL 8, 2019

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Federal Bank of the Midwest  
Charter Number # 704192

601 Clinton St.  
Defiance, OH 43512-2636

Office of the Comptroller of the Currency

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Cleveland, OH 44114-2241

**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

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of First Federal Bank of the Midwest (First Federal or bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	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:

- The bank’s overall lending activity is good;
- The bank’s overall geographic distribution of home mortgage and small loans to businesses is good;
- The bank’s overall distribution of home mortgage and small loans to small businesses to borrowers of different income levels is good;
- The bank has a relatively high level of community development (CD) lending, which had an overall positive impact on the lending performance;
- First Federal provided an overall good level of qualified CD investments throughout the institution’s assessment areas (AAs) that were responsive to credit and community development needs; and
- First Federal’s performance overall under the service test was good. The accessibility of branches to geographies and individuals of different income levels was good. The bank’s overall participation in CD services was also good.

## 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, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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

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

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

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

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

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

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

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

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

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

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

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

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

area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

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

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

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

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

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

**Tier 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

First Federal is an interstate federal savings bank (FSB) headquartered in Defiance, OH. The bank is a wholly owned subsidiary of First Defiance Financial Corporation, a single bank holding company also headquartered in Defiance, OH. Non-banking affiliates include First Insurance Group (FIG) of the Midwest and First Defiance Risk Management (FDRM). FIG is an insurance agency, and FDRM is an insurance company providing insurance to First Defiance Financial Corporation and its subsidiaries.

As of December 31, 2017, First Federal had total assets of \$2.968 billion and tier-one capital totaling \$299 million. Net loans and leases represented 79.48 percent of total assets and 89.42 percent of total deposits. First Federal's primary lines of business include commercial and home mortgage lending. The bank also offers other loans, such as home equity lines of credit (HELOC), consumer, multi-family residential, and farm loans. However, these loans are not a lending focus of the bank. Home mortgage loans comprised 12.41 percent of First Federal's loan portfolio, which does not include home mortgage loans sold to secondary market investors. The portfolio is also comprised of 53.03 percent commercial real estate loans, 19.68 percent commercial and industrial loans, 8.14 percent farm loans, and 6.74 percent HELOC and other consumer loans.

First Federal expanded its branch network and the number of the bank's AAs through the opening of new offices, and the acquisition of another financial institution during the evaluation period. The bank opened a total of two new branch offices in Toledo, OH; one on December 15, 2015 and the other on January 17, 2017. First Federal also opened one new branch office April 3, 2017 in Hilliard, OH in Franklin County, which is part of the Columbus, OH MSA. As a result of this branch opening, the number of AAs for the bank increased to four within the state of Ohio. On February 24, 2017, the bank acquired The Commercial Savings Bank, which was located within First Federal's Ohio Non-MSA AA. The acquisition increased the bank's branch network by seven offices and increased its Ohio Non-Metropolitan Statistical Area (MSA) AA by two counties. However, the acquisition did not increase the number of AAs for the bank.

As of February 2017, the bank operated 42 full-service branch offices, with 35 offices located in Ohio, five in Michigan, and two in Indiana. First Federal also operated one standalone drive through facility, 40 deposit-taking automated teller machines (ATMs) and eight cash-only dispensing ATM. Of the 40 deposit taking ATMs, 37 deposit-taking ATM are located at branch offices, one at the standalone drive-through facility, and the remaining two are stand-alone ATMs. First Federal closed one branch office during the evaluation period. The closing occurred on June 30, 2017, and the branch was one of the seven offices obtained through the acquisition of The Commercial Savings Bank. The office was located in a middle-income census tract (CT) in Findlay, OH.

There were 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 evaluation was dated October 20, 2014, and the bank received a rating of "Satisfactory."



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test is January 1, 2014 through December 31, 2017. We evaluated the bank's community development (CD) loans, investments, and services for the period of January 1, 2015 through December 31, 2017. Under the lending test for home mortgage and small loans to businesses lending, we performed a separate analyses of the 2017 data from the 2014 through 2016 data. This is due to the changes instituted by the Federal Financial Institutions Examination Council (FFIEC), which utilized American Community Survey (ACS) Census data for the FFIEC-published census data in 2017. The change became effective as of January 1, 2017. The change to ACS Census data resulted in updated demographic information related to population and housing. The ACS Census data also resulted in changes to the income designations of some CTs. The 2014 through 2016 analysis period will receive more weight than the 2017 analysis period, as this period represents a larger portion of the bank's lending activity.

We evaluated First Federal's lending performance based on its primary loan products of home mortgage loans and small loans to businesses, and the bank's community development lending. Although First Federal offers other loan products, they are not a lending focus of the institution. Therefore, farm, multi-family, home equity lines of credit, and consumer loans are not part of this evaluation, as an analysis of this information would not be meaningful. However, we did consider multifamily loans that qualify as CD as part of our CD lending assessment.

### Data Integrity

We performed a data integrity examination to verify the accuracy of the bank's Home Mortgage Disclosure Act (HMDA) and small loans to businesses data prior to the evaluation. We concluded that the data was reliable. We also reviewed CD activities provided by the bank for consideration during our evaluation. This included testing the CD loans, investments, and services submitted by First Federal to determine if they met the regulatory definition for qualified CD activities. Only those activities meeting the regulatory definition were considered in this evaluation.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, a sample of AAs within that state was selected for full-scope review. Full-scope reviews consider performance context, quantitative, and qualitative factors. In general, the AAs selected for the full-scope review were chosen because they represented a significant portion of the bank's deposit base and lending in that state. The remaining AAs in each state were analyzed using limited-scope procedures. Limited-scope procedures consider quantitative factors only. Refer to the "Scope" section under each State for details regarding how the areas were selected.

## **Ratings**

The bank's overall rating is a blend of the state ratings. The state of Ohio carries the greatest weight with Michigan carrying the second highest weight. These two markets represent the bank's most significant markets in terms of deposit concentrations, branch distribution, and reportable loans.

The state ratings are based primarily on those areas that received full-scope review. Refer to the "Scope" section under each State for details regarding how the areas were weighted in arriving at the respective ratings.

## **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 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.

## State of Ohio

<b>CRA Rating for Ohio<sup>1</sup>:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- An excellent level of lending activity for home mortgage and small loans to businesses;
- An overall good distribution of loans throughout geographies of different income levels;
- A good borrower distribution of home mortgage loans and small loans to businesses;
- The bank has a relatively high level of CD lending, which had a positive impact on the overall lending performance within the AAs and state;
- An overall good level of flexible home mortgage loans and small loans to businesses;
- An overall excellent level of qualifying investments and donations that were responsive to the CD needs of the AA and state;
- An overall branch distribution that was reasonably accessible to individuals and individuals living in low- or moderate-income geographies; and
- An overall good level of CD services that was responsive to community needs.

## Description of Institution's Operations in Ohio

Ohio is First Federal's most significant state rating area, representing approximately 86 percent of the bank's deposits and 85 percent of home mortgage and small loans to businesses during the evaluation period. First Federal and its holding company are headquartered in Defiance, Ohio. The bank has four delineated AAs within the state, see *Appendix A: Scope of Examination* and *Appendix C: Community Profiles for Full-Scope Areas* for details. The AAs are identified as the Ohio Non-MSA AA, Toledo AA, Lima AA, and Columbus AA. The Ohio non-MSA area is comprised of 10 counties located in north central Ohio. The Toledo AA includes the Toledo-Port Clinton, OH combined statistical area, which includes the Toledo, OH MSA and Ottawa County. The Lima AA includes Allen County, located in the Lima, OH MSA. The Columbus AA includes Franklin County, which is located in the Columbus, OH MSA.

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<sup>1</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

The bank's Ohio Non-MSA AA is its primary market, with the Toledo AA representing its second primary market. As of December 31, 2017, First Federal operated 35 full-service branches, one stand-alone drive-through facility, and 39 ATMs within Ohio. Of the 35 branch offices, 21 are located in the Ohio non-MSA AA, which includes the main office. Nine of the branches are located in the Toledo AA, four are located in the Lima AA, and one branch is in the Columbus AA. During the evaluation period, First Federal opened three branches in Ohio. Two of the branch offices are located in Toledo, OH, with one in a low-income tract and the other in a middle-income tract. The third branch office was opened in a middle-income tract located in the Columbus AA. As described in the *Description of Institution* section, the bank acquired The Commercial Savings Bank on February 27, 2017, which resulted in the bank receiving seven branch offices in the Ohio Non-MSA AA as a result of the merger. The bank closed one of the seven branch offices, which was located in a middle-income tract on June 30, 2017.

First Federal offers a full range of loan and deposit products. However, the bank's primary lending products include home mortgage and commercial loans. First Federal has good market penetration within the three Ohio AAs analyzed in this evaluation. Competition within the state of Ohio and the three AAs is high. Specifically, First Federal ranked seventeenth out of 223 FDIC-insured financial institutions with less than one percent market share and \$2.019 billion in statewide deposits. The top five institutions within the state of Ohio had a combined market share of 64.77 percent of state deposits. Based on FDIC Deposit Market Share data as of June 30, 2017, First Federal ranked second out of 38 FDIC-insured financial institutions in the Ohio non-MSA AA, ninth out of 25 FDIC-insured institutions within the Toledo AA, and fourth out of 11 FDIC-insured institutions within the Lima AA. In addition, based on 2017 aggregate home mortgage and small business lending data, the Ohio Non-MSA AA had 271 financial institutions that originated or purchased home mortgage loans and 78 that originated or purchased small loans to businesses within the AA, respectively. The Toledo AA had 332 other lenders originating or purchasing home mortgage loans along with 91 other lenders originating or purchasing small loans to businesses in the AA, respectively.

Refer to the community profiles for the state of Ohio in *Appendix C* for detailed demographics and other performance context information for AAs that received full-scope reviews.

## Scope of Evaluation in Ohio

For the state of Ohio, we completed full-scope reviews of the Ohio Non-MSA and Toledo AAs. We performed a limited-scope review of the Lima AA. As described in the *Description of the Institution's Operations in Ohio* section, the Columbus AA was delineated as one of the bank's AA when it opened a branch within Franklin County on April 3, 2017. Given the end of our review period is December 31, 2017, the bank would not have a full-year of activity within the Columbus AA. Therefore, we did not analyze the bank's performance within this AA as part of our evaluation because the analysis would not be meaningful.

The Ohio Non-MSA AA is weighted most heavily in arriving at the overall conclusion for the state, as this represents the bank's original market with the most branch offices. The AA also includes the largest share of loans and deposits for the bank. Of the bank's reported home mortgage, small loans to businesses, and CD loans in Ohio from 2014 through 2017, 58.36 percent were originated or purchased in the Ohio Non-MSA AA, 31.88 percent in the Toledo

AA, and 9.76 percent in the Lima AA. Based on the FDIC's 2017 deposit market share report, out of the bank's deposits in Ohio, 68.39 percent were in the Ohio Non-MSA AA, 20.35 percent were in the Toledo AA, and 11.26 percent were in the Lima AA. The Ohio state rating is primarily based on the results of the areas that received full-scope reviews.

In drawing our conclusions of the bank's performance in the state of Ohio and AAs, we considered information from three community contacts in the Ohio Non-MSA AA and two community contacts in the Toledo AA. Refer to the community profiles for the state of Ohio in *Appendix C* for detailed demographics and other performance context information for AAs that received full-scope reviews. Additionally, refer to the table in *Appendix A: Scope of Examination* for additional information.

## **LENDING TEST**

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

The bank's performance under the lending test in Ohio is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Ohio Non-MSA AA and Toledo AA is good.

### **Lending Activity**

First Federal's overall lending activity within the state of Ohio is excellent. The bank's overall lending volume throughout the evaluation period in the AAs is commensurate with the bank's local deposit presence, especially considering the large number of lenders originating or purchasing home mortgages and small loans to businesses in each of the AAs. There are significantly more lenders originating or purchasing loans in each AA than there are depository institutions with branch offices. The lenders include local and non-local depository institutions, and non-bank financial institutions.

Refer to Table 1 Lending Volume in the state of Ohio section of *Appendix D* for the facts and data used to evaluate the bank's lending activity.

### **Ohio non-MSA**

The bank's lending activity within the Ohio non-MSA AA is excellent. As of the June 30, 2016 and June 30, 2017 FDIC Deposit Market Share reports, First Federal ranked second in deposits among 34 and 38 depository institutions with 14.32 percent and 15.01 percent of the deposit market share, respectively. According to 2016 and 2017 peer mortgage aggregate lending data, First Federal ranked first among over 260 lenders originating or purchasing home mortgage loans within the AA. The bank's market share for home mortgage loans in 2016 and 2017 equated to 16.40 percent and 14.49 percent, respectively. In addition, the bank's small loans to businesses market share for 2016 was 8.59 percent, ranking third among the 69 lenders in the market. As of 2017, First Federal's small loans to businesses market share was 10.53 percent, ranking the bank first among 78 lenders in the market.

Toledo AA

First Federal's lending activity in the Toledo AA is excellent. As of the June 30, 2016 and June 30, 2017 FDIC Deposit Market Share reports, First Federal ranked ninth in deposits among 26 and 25 depository institutions with 3.40 percent and 3.61 percent of the deposit market share, respectively. This is considered excellent, as four large institutions made up approximately 64 percent of the total AA deposits in the AA each year. According to 2016 and 2017 peer mortgage aggregate lending data, First Federal ranked sixth each year among over 330 lenders originating or purchasing home mortgage loans within the AA. The bank's market share for home mortgage loans in 2016 and 2017 equated to 3.80 percent and 3.22 percent, respectively. In addition, the bank's small loans to businesses market share for 2016 was 2.23 percent, ranking twelfth among 90 lenders in the market. As of 2017, First Federal's small loans to businesses market share was 2.40 percent, ranking the bank thirteenth among 91 lenders in the market.

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

The bank's overall geographic distribution of home mortgage loans and small loans to businesses is good.

***Home Mortgage Loans***

The bank's overall geographic distribution of home mortgage loans is good. In determining our conclusions, we gave consideration for opportunities to lend based on the number of CTs in each income level of CT, the level of competition, and the number or percentage of the AA's owner-occupied housing units located in low- and moderate-income CTs within each AA.

Refer to Tables 2 in the state of Ohio section of *Appendix D* for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations or purchases.

Ohio non-MSA

First Federal's overall geographic distribution of home mortgage loans in the Ohio non-MSA AA is good. During 2014 through 2016, there were no low-income CTs within the Ohio non-MSA AA. However, the bank's percentage of home mortgage loans originated or purchased in moderate-income tracts at 8.06 percent was slightly lower than the peer aggregate lending percentage of 9.78 percent. Additionally, the bank's percentage of home mortgage lending was also slightly lower than the 10.40 percent of the AA's owner-occupied housing units located in moderate-income CTs.

The bank's geographic distribution of home mortgage loans in 2017 was similar. The percentage of the bank's home mortgage loans in low-income geographies at 0.18 percent was near the percentages of both the AA's owner-occupied housing units and peer aggregate lending, which totaled 1.52 percent and 0.77 percent, respectively. As with 2014 through 2016, there were limited opportunities to lend in the low-income CTs of the AA given there were only three low-income CTs, with a limited number of owner-occupied housing units. The bank's percentage of home mortgage lending in moderate-income CTs at 8.13 percent was

near the AA's percentage of owner-occupied housing units of 8.78 percent and near the peer aggregate lending percentage of 9.2 percent.

### Toledo

The bank's overall geographic distribution of home mortgage loans within the Toledo AA is good. From 2014 through 2016, the bank's percentage of home mortgage loans at 1.14 percent in low-income geographies was less than the AA's percentage of owner-occupied housing units at 5.30 percent. However, in comparison to peer aggregate lending, the percentage of the bank's lending slightly exceeded peer home mortgage aggregate lending of 1.10 percent. In addition, the percentage of the bank's home mortgage loans at 7.41 percent for moderate-income CTs was below the percentage of the AA's owner-occupied units at 11.79 percent. However, in comparison to peer mortgage aggregate lending, the bank's home mortgage lending percentage exceeded the peer mortgage aggregate lending percentage of 6.39 percent.

Based on the bank's lending in 2017, the percentage of home mortgage loans in low-income geographies equated to 4.59 percent, which was near the percentage of the AA's owner-occupied housing units in these geographies of 6.27 percent. The bank's percentage of home mortgage lending in low-income CTs exceeded the peer mortgage aggregate lending percentage of 2.35 percent. For moderate-income CTs, the bank's percentage of home mortgage lending totaled 10.86 percent, which was near the AA's percentage of owner-occupied housing units of 11.02 percent and exceeded the peer mortgage aggregate lending percentage of 7.69 percent.

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

The bank's overall geographic distribution of small loans to businesses is good. In determining our conclusions, we gave consideration for opportunities to lend based on the number of CTs in each income level, the level of competition, and the number of non-farm businesses located in low- and moderate-income CTs within each AA.

Refer to Tables 4 in the state of Ohio section of *Appendix D* for the facts and data used to evaluate the geographic distribution of the bank's origination or purchase of small loans to businesses.

### Ohio non-MSA AA

The bank's geographic distribution of small loans to businesses in the Ohio non-MSA AA is good. During the 2014 through 2016 review period, the AA had no low-income CTs. However, the bank's percentage of small loans to businesses in moderate-income CTs totaled 13.80 percent, which was near the AA's percentage of non-farm businesses at 14.85 percent and near peer's percentage of small loans to businesses lending of 13.93 percent.

In 2017, the bank's small loans to businesses lending in low-income tracts was 0.47 percent. The bank's percentage was lower than the percentage of the AA's non-farm businesses of 2.99 percent. In addition, the bank's percentage was near the percentage of peer small loans to businesses aggregate lending in low-income tracts of 1.50 percent. The bank's percentage

of small loans to businesses lending in moderate-income CTs at 13.03 percent exceeded both the percentages of non-farm small businesses and peer small loans to businesses aggregate lending in the AA. Specifically, the percentage of the AA's non-farm small businesses in moderate-income tracts totaled 11.01 percent and the percentage of peer small loans to businesses aggregate lending equated to 10.35 percent.

### Toledo AA

First Federal's geographic distribution of small loans to businesses within the Toledo AA is adequate. Both First Federal and peer small loans to businesses aggregate lending percentages were below the percentage of AA non-farm small businesses located in low- and moderate-income CTs throughout the evaluation period. For 2014 through 2016, as well as 2017, First Federal's percentages of small loans to businesses made in low- and moderate-income CTs was near peer small loans to businesses aggregate lending percentages. In 2014 through 2016, the bank's small loans to businesses lending percentages for low- and moderate-income tracts totaled 2.00 percent and 6.81 percent, respectively. In 2017, the bank's small loans to businesses lending in low- and moderate-income tracts equated to 7.33 percent each. In comparison, peer small loans to businesses aggregate lending within the low- and moderate-income CTs of the AA for 2014 through 2016 equaled 4.24 percent and 9.95 percent, respectively. In 2017, peer small loans to businesses aggregate lending percentages for lending in low- and moderate-income CTs totaled 9.61 percent and 8.94 percent, respectively.

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

We reviewed summary reports and maps, and analyzed First Federal's home mortgage and small loans to businesses lending over the evaluation period to identify any gaps in the geographic distribution of loan activity. We did not identify any unexplained, conspicuous gaps.

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

This ratio is a bank-wide calculation and is not calculated by individual AA or state. Analysis is limited to bank originations and purchases made in the bank's AAs. For the 2014 through 2017 evaluation period, First Federal originated or purchased by number a majority of home mortgage and small loans to business loans inside its AAs. The bank's home mortgage loans originated or purchased in the AAs by number equated to 90.60 percent, while small loans to businesses totaled 89.39 percent. By dollar amount, the percentage of home mortgage and small loans businesses originated or purchased in the bank's AAs totaled 87.45 percent and 84.61 percent, respectively.

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

The overall borrower distribution of the bank's home mortgage and small loans to businesses is good.



## ***Home Mortgage Loans***

The bank's overall borrower distribution of home mortgage loans is excellent. In drawing our conclusions, we gave consideration to the level of poverty rates and the level of competition in each AA.

Refer to Tables 3 in the state of Ohio section of *Appendix D* for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

### Ohio non-MSA

The overall borrower distribution of home mortgage loans in the Ohio non-MSA AA is excellent. For 2014 through 2016, the percentage of the bank's home mortgage loans to low-income borrowers at 8.06 percent, slightly exceeded the peer home mortgage aggregate lending percentage of 6.07 percent. Though the bank's percentage of home mortgage loans was below the 15.73 percent of low-income families in the AA, the bank's level of lending in comparison to the demographic comparator is reasonable given that 11.00 percent of the families in the AA were considered living below poverty. Additionally, the bank's percentage of home mortgage lending to moderate-income borrowers at 23.37 percent, exceeded both the percentage of moderate-income families at 17.32 percent and peer home mortgage aggregate lending at 21.55 percent.

The bank's borrower distribution of home mortgage loans in 2017 was similar to 2014 through 2016. The bank's percentage of home mortgage loans to low-income borrowers at 7.21 percent was near the percentage of peer home mortgage aggregate lending percentage of 7.00 percent. In comparison to the percentage of low-income families living in the AA, the bank's home mortgage lending to low-income borrowers is below the demographic comparator of 17.39 percent. However, the bank's percentage of lending to low-income borrowers is considered reasonable, as 12.80 percent of families in the AA were living below poverty. The bank's percentage of loans to moderate-income borrowers at 26.39 percent exceeded both the percentage of moderate-income families at 17.32 percent and peer home mortgage aggregate lending percentage of 23.18 percent.

### Toledo

The overall borrower distribution of home mortgage loans in the Toledo AA is excellent. Based on the bank's lending from 2014 through 2016, the percentage of the bank's home mortgage loans to low-income borrowers at 8.62 percent slightly exceeded the peer home mortgage aggregate lending percentage of 6.89 percent. Though the bank's percentage of home mortgage loans was below the 21.24 percent of low-income families in the AA, the bank's level of lending in comparison to the demographic comparator is reasonable given that 15.77 percent of the families in the AA were considered living below poverty. The bank's percentage of home mortgage lending to moderate-income borrowers at 17.74 percent was slightly higher than both the percentage of moderate-income families at 16.76 percent and peer home mortgage aggregate lending at 17.06 percent.

The bank's borrower distribution of home mortgage loans in 2017 was similar to 2014 through 2016. The bank's percentage of home mortgage loans to low-income borrowers at 9.39 percent exceeded the percentage of peer home mortgage aggregate lending percentage of 6.69 percent. In comparison to the percentage of low-income families living in the AA, the bank's home mortgage lending to low-income borrowers is below the demographic comparator of 22.48 percent. However, the bank's percentage of lending to low-income borrowers is considered reasonable, as 17.33 percent of families in the AA were living below poverty. The bank's percentage of loans to moderate-income borrowers at 22.76 percent exceeded both the percentage of moderate-income families of 16.45 percent and peer home mortgage aggregate lending percentage of 19.21 percent.

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

The bank's borrower distribution of small loans to small businesses is good. In drawing our conclusions, we gave consideration to the level of competition in each AA.

Refer to Tables 5 in the state of Ohio section of *Appendix D* for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to small businesses.

#### Ohio non-MSA

First Federal's borrower distribution of small loans to small businesses reflects a good penetration among businesses of different sizes within the AA. From 2014 through 2016, the bank's percentage of small loans to small businesses originated or purchased at 47.46 percent is significantly below the percentage of small businesses in the AA that report revenues of \$1 million or less at 76.99 percent. However, the bank's percentage of small loans to small businesses originated or purchased exceeded peer's percentage of small loans to small businesses of 40.96 percent. In 2017, the bank's lending to small businesses was similar to 2014 and 2016. The bank's percentage of small loans to small businesses at 48.82 percent was significantly below the percentage of small businesses in the AA. However, the bank's percentage of small loans to small businesses slightly exceeded the peer small loans to small businesses percentage of 46.06 percent.

#### Toledo

First Federal's borrower distribution of small loans to small businesses reflects a good penetration among businesses of different sizes within the Toledo AA. From 2014 through 2016, the bank's percentage of small loans to small businesses at 44.86 percent is significantly below the percentage of small businesses in the AA that report revenues of \$1 million or less. However, the bank's percentage of small loans to small businesses originated or purchased slightly exceeded peer's percentage of small loans to small businesses of 43.92 percent. In 2017, the bank's lending to small businesses was similar to 2014 through 2016. The bank's percentage of small loans to small businesses at 45.03 percent was significantly below the percentage of small businesses in the AA. However, the bank's percentage of lending to small businesses was near the peer small loans to small businesses percentage of 47.71 percent.

## Community Development Lending

Community development loan activity in the state of Ohio was relatively high during the evaluation period, consisting of 14 loans totaling approximately \$8.2 million within the bank's AAs and one \$3.0 million affordable housing loan originated outside of their AAs, but within the broader state-wide area. In drawing our conclusion, we placed more weight on CD lending activities within the Ohio non-MSA AA. We also gave consideration to the competition for CD loans within the Toledo AA from larger financial institutions.

Refer to Table 1 Lending Volume in the state of Ohio section of *Appendix D* for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

### Ohio non-MSA AA

First Federal's CD lending performance in the Ohio Non-MSA AA is relatively high, with activity consisting of 10 loans totaling \$7.7 million within the AA. Two of the loans were for affordable housing. Examples of community development lending included:

- A \$3.0 million loan to expand a business and promote economic development by creating approximately 120 permanent jobs in a moderate-income CT to be filled by area residents.
- A \$1.3 million loan to renovate a low-income housing development apartment building located in Defiance, OH. It consists of 11 apartment buildings with 72 units. All units are designated as affordable housing to be rented to low- and moderate-income individuals.
- An \$800,000 line of credit to Habitat for Humanity to fund the construction of homes for low- and moderate-income individuals in Hancock County.

### Toledo AA

First Federal's CD lending performance in the Toledo AA is adequate. The Toledo AA is the bank's second largest market based upon number of branches, deposit base and loans generated. During the evaluation period, the bank had a low level of CD lending, making only four qualified loans totaling \$540,000. This was a result of the level of competition from larger institutions for CD loans within the AA. All CD loans were to organizations which provide services to low- and moderate-income individuals.

## Product Innovation and Flexibility

First Federal offered several flexible loan programs that focused on making home ownership affordable and promoting small businesses. Though we did not consider any of the products innovative, the bank's use of flexible loan programs had a positive impact on the bank's lending performance in the state of Ohio.

The bank offers a mix of government insured mortgage loans, which offer no or low down payment options. These programs include Federal Housing Administration (FHA) and United

States Department of Agriculture (USDA) Rural Development loans. Additionally, the bank offered Freddie Mac's Home Possible and Fannie Mae's Home Ready program loan products. In 2015, the bank developed an in-house Community Mortgage loan product, which provides opportunities for low- and moderate-income individuals to purchase a home despite not qualifying for secondary market financing. Community Mortgage loans have no private mortgage insurance requirements, points, or loan-level price adjustments, and borrowers are able to finance 100 percent of the purchase price of the home. The bank also partnered with the Federal Home Loan Bank's (FHLB) Welcome Home Program, which secures down payment and closing cost assistance for low- and moderate-income individuals. First Federal also developed and offered two loan products that provided funding for home improvements or improving home energy efficiency. These products are known as the Better Together Energy Efficiency (BTEE) and Better Together Home Improvement (BTHI). The BTEE and BTHI products allow homeowners residing in low- and moderate-income CTs to invest in improving their homes. The BTEE and BTHI loans have no closing costs and low fixed rates. Based on bank reports, First Federal originated the following during the review period.

- 229 Home Possible and Home Ready loans totaling \$19.7 million;
- 280 USDA Rural Housing home loans totaling \$26.0 million;
- 10 FHA home loans totaling \$1.4 million;
- 169 Community Mortgage loans totaling \$13.0 million;
- 208 BTEE and BTHI loans totaling \$1.6 million; and
- Secured down payment or closing cost assistance for 105 home loans.

They also offered small business loans in partnership with the Small Business Administration (SBA) and the state of Ohio's Small Business Linked Deposit Program. Based on bank reports, First Federal originated 21 loans for a total of \$3.96 million.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Lima AA is not inconsistent with the bank's overall "high satisfactory" performance under the lending test in Ohio. Refer to Tables 1 through 5 in the state of Ohio section of *appendix D* for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Ohio is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Ohio non-MSA AA and Toledo AA is good.

Refer to Table 6 in the state of Ohio section of *Appendix D* for the facts and data used to evaluate the bank's level of qualified investments.

#### Ohio non-MSA AA

First Federal's CD investment performance within the AA is excellent. During the evaluation period, the bank made 111 qualified CD investments and donations totaling approximately

\$2.3 million. By dollar amount, the majority of investments were a bond issued for the improvement of school infrastructure within the AA, as well as a Low-income Housing Tax Credit (LIHTC). Additionally, the bank had six prior period investments in municipal bonds for infrastructure improvements in distressed middle-income areas with a total outstanding value of approximately \$1.4 million as of December 31, 2017. Current investments and donations include:

- A municipal bond totaling \$565,000 in 2015 for the construction of a new school facility in the Defiance school district under the School Facilities Exceptional Needs Program and to construct, furnish, and equip additional classrooms.
- The bank funded one investment totaling \$3.0 million in a LIHTC during 2016, which benefited this AA, as well as the Toledo AA. The investments in the LIHTC helped create and preserve 2,559 affordable housing units statewide by providing funding for 27 multifamily housing projects located in Ohio, one of which is located within the AA. The purpose of the projects was to provide affordable housing units benefiting low- and moderate-income geographies or individuals. Based upon the proportion of housing units benefiting the bank's AA, we gave credit for \$1.6 million to the Ohio non-MSA AA with the remaining balance credited to the Toledo AA.
- Financial grants and in-kind donations totaling \$124,796 to 24 local community organizations for CD initiatives for affordable housing and social services for low- and moderate-income individuals.

### Toledo AA

First Federal's investment test performance within the AA is excellent. During the evaluation period, the bank made 79 qualified CD investments and donations totaling over \$5.0 million. By dollar amount, the majority of investments were a bond issued for the improvement of school infrastructure within the AA, and in a LIHTC. Additionally, the bank had a prior period investment of \$255,000 in a municipal bond for improving a jobs and family services building, as well as an LIHTC with an outstanding value of \$1.3 million as of December 31, 2017. First Federal's responsiveness to the CD needs of the AA is good. Current investments and donations include:

- A municipal bond totaling \$395,000 in 2016 for constructing and remodeling of the North Baltimore School District buildings in Wood County and acquiring additional real estate for school purposes. The majority of students in the school district receive free or reduced lunches.
- The bank funded two \$3.0 million investments in LIHTCs, one in 2016 and one in 2017, which benefited the AA. The investments in the LIHTCs helped create and preserve 4,039 affordable housing units statewide by providing funding for 51 multifamily housing projects located in Ohio, two of which are located within the AA. The purpose of the projects was to provide affordable housing units benefiting low- and moderate-income geographies or individuals. Based upon the proportion of housing units benefiting the bank's AA, we credited \$4.4 million to the Toledo AA.

- Two certificate of deposits totaling \$150,000 at a local Community Development Financial Institution (CDFI) located in a low-income CT that provides financial services to low- and moderate-income individuals within the AA.

Financial grants and in-kind donations totaled \$66,282 to 26 local community organizations for CD initiatives for affordable housing, economic development and social services for low- and moderate-income individuals.

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

Based on our limited-scope review, the bank's performance under the investment test in the Lima AA is weaker than the bank's overall "High Satisfactory" performance under the investment test in Ohio. While this performance was considered, it did not affect the overall state investment test rating, as it is not a primary AA of First Federal. No new investments within the AA were made, but the bank does have a prorated prior period LIHTC of \$218,992 and qualified donations to 12 community organizations totaling \$24,017. Refer to Table 6 in the state of Ohio section of *Appendix D* for the facts and data that support these conclusions.

### **SERVICE TEST**

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

The bank's overall performance under the service test in Ohio is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Ohio non-MSA AA and Toledo AA is good.

#### **Retail Banking Services**

The accessibility to First Federal's retail banking services for persons located within each AA was good. Changes in branching was limited. However, the changes that did occur did not adversely affect LMI individuals' access to financial services.

Refer to Table 7 in the state of Ohio section of *Appendix D* for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

#### Ohio non-MSA AA

First Federal's branch distribution in the Ohio non-MSA AA throughout the evaluation period was good. Prior to the merger with The Commercial Savings Bank in early 2017, the AA had no low-income tracts and the bank operated branches in two moderate-income tracts. After the merger and as of the 2015 ACS Census, the AA contained three low-income tracts and 12 moderate-income tracts. The changes to the income level of tracts resulted in only one of the bank's existing branches being located within a moderate-income tract. However, seven of First Federal's other 20 branches in the AA are adjacent to low- or moderate-income tracts. Overall, the bank's branch locations allow them to reasonably provide access to financial services to two-thirds of the AA's low- and moderate-income areas. Additionally, the bank has

two stand-alone ATMs located in moderate-income CTs. The bank opened one branch and closed one branch during the period, both in middle-income tracts.

Alternative delivery systems are available to further support access to financial services, such as ATMs, and several free banking options, such as online or telephone banking, mobile banking, retail remote deposit capture and online bill pay. First Federal's hours and services offered in the Ohio non-MSA AA are good. Branch hours and services did not vary in a way that would inconvenience portions of the AA and are comparable among locations regardless of the income level of the geography.

### Toledo AA

First Federal's branch distribution in the Toledo AA was good. During the evaluation period the bank opened two branches in Lucas County. In 2015, a branch opened in a middle-income tract and in 2017, a branch opened in a low-income, downtown Toledo census tract that is contiguous with four other low- and moderate-income tracts. Prior to that time, none of the bank's branches were located in low- or moderate-income areas. No branches were closed during the period. As of the 2015 ACS Census, First Federal had four other branches located in upper-income tracts, which were adjacent to low- and moderate-income tracts. The branch locations allow the bank to reasonably provide access to financial services in these areas. Additionally, the bank has a stand-alone ATM located in a moderate-income CT.

The bank's hours, days of operation, and available services, are provided in a way that does not inconvenience any portions of the AA, including low-or moderate-income areas or individuals. The branch located in the low-income tract does not offer drive-up capabilities due to its location inside a grocery store. Services offered are comparable among locations regardless of the income level of the geography. Alternative delivery systems are available to further support access to financial services, such as ATMs, and several free banking options, such as online or telephone banking, mobile banking, retail remote deposit capture and online bill pay.

### **Community Development Services**

First Federal's overall performance in providing qualified CD services in Ohio is Outstanding. The services are focused on community services targeted to low- and moderate-income individuals. The bank's employees participated in a variety of organizational services, mostly in leadership roles, that benefited low- and moderate-income individuals.

### Ohio non-MSA AA

First Federal's responsiveness to the CD service needs of the AA is excellent and the bank is a leader in providing community development services. Twenty-four bank employees provided technical and financial expertise to 20 non-profit groups involved in affordable housing, job creation, poverty reduction and social services for low- or moderate-income individuals, through the following activities:

- Nineteen bank officers and staff serve on non-profit boards and committees that provide affordable housing, economic development or social services to low- to moderate-

income individuals and geographies. One employee served as chairman of a board, while six others were treasurers or members of finance committees. Two individuals served on loan review committees.

- Developing and running a fundraising event for a local affordable housing organization.
- Presenting a fraud prevention education class to a senior citizens center located in a moderate-income CT.
- Teaching a home buying education class to low- and moderate-income borrowers, as part of an organization that offers guidance to persons in poverty.

Additionally, employees participated in other non-qualifying volunteer, outreach, and fundraising service activities that benefited low- and moderate-income individuals and non-profit organizations located within the AA.

### Toledo AA

First Federal provides a relatively high level of CD services within the AA. Sixteen bank employees provided technical and financial expertise to 24 non-profit groups involved in affordable housing, job creation and social services for low- or moderate-income individuals, through the following activities:

- Eleven bank officers and staff serve on non-profit boards and committees that provide affordable housing, economic development or social services to low- to moderate-income individuals and geographies. One employee was president of a board while two others were treasurers or members of finance committees. Two individuals also served on loan review committees.
- Financial literacy programs for low- to moderate-income individuals.
- Providing technical expertise to a CDFI regarding loan file compliance.
- Assisting with the completion and submission of the FHLB Affordable Housing Grant process for an affordable housing organization.

Additionally, employees participated in other non-qualifying volunteer, outreach, and fundraising service activities that benefited low- and moderate-income individuals and non-profit organizations located within the AA.

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

Based on a limited-scope review, the institution's performance under the service test in the Lima AA is weaker than the institution's overall "High Satisfactory" performance under the service test in Ohio. Performance differences were based on branch distribution, as the bank had no branches located in low- or moderate-income tracts or any branches adjacent to these tracts. However, First Federal does have two branches located within a reasonable distance to a low- and moderate-income tract. Branch services and hours did not vary in a way that



inconveniences portions of the AA, particularly low- and moderate-income individuals. Services offered and banking hours are comparable among locations regardless of income level or geography. CD services were limited in the AA. Two employees served on the board or committee of a non-profit organization. Refer to Table 7 in the Ohio section of *Appendix D* for the facts and data that support these conclusions.

## State of Michigan

<b>CRA Rating for Michigan<sup>2</sup>:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Low Satisfactory</b>
<b>The service test is rated:</b>	<b>Outstanding</b>

The major factors that support this rating include:

- A good level of lending in home mortgage loans and small loans to businesses;
- An overall good distribution of home mortgage loans and small loans to businesses throughout geographies with different income levels;
- A good borrower distribution of home mortgage loans and small loans to small businesses;
- A relatively high level of CD lending, which had a positive impact on the overall lending performance within the AA;
- An overall adequate level of qualifying investments and donations that were responsive to CD needs;
- An outstanding level of CD services that was responsive to community needs; and
- An excellent branch distribution, making access to the bank's financial services more than reasonable for individuals of all income levels.

## Description of Institution's Operations in Michigan

Michigan is First Federal's second largest state rating area, representing approximately 12 percent of the bank's deposits as of June 30, 2017, and 12 percent of home mortgage and small loans to businesses reported during the evaluation period. The bank has one delineated AA within the state, comprised of Hillsdale and Lenawee Counties. The two counties are primarily rural and are not part of a MSA. The AA is located in the southeastern part of Michigan and contiguous with the bank's Ohio non-MSA and Toledo AAs.

As of December 31, 2017, First Federal operated five full-service branch offices and six ATMs within Michigan, with one of the six being a stand-alone ATM. During the evaluation period, First Federal did not close or open any branch offices within Michigan.

First Federal provides a full range of loan and deposit products to the AAs. The bank's primary lending products include home mortgage and commercial loans. First Federal has

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<sup>2</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

good market penetration within the AA. Based on FDIC Deposit Market Share data as of June 30, 2017, First Federal ranked sixtieth out of 126 FDIC-insured financial institutions with 0.13 percent market share and \$268 million in statewide deposits. However, First Federal ranked third out of 14 FDIC-insured financial institutions in the Michigan non-MSA AA. Despite First Federal's deposit market share, competition within the AA market is high. Specifically, the Michigan non-MSA had 13 other financial institutions operating 36 offices throughout the two county AA. Based on 2017 peer home mortgage aggregate lending data and peer small loans to businesses data reports, there were 231 financial institutions originating or purchasing home mortgage loans and 56 financial institutions originating or purchasing small loans to businesses within AA.

Refer to the community profiles for the state of Michigan in *Appendix C* for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Michigan**

First Federal's one delineated AA in the state of Michigan includes two counties located in southeastern Michigan, which are not part of a MSA. As a result, we performed a full-scope review of the AA. Refer to the table in *Appendix A* for more information on the AA.

The Michigan non-MSA AA is the bank's third largest market, representing 11 percent of First Federal's deposits and 12 percent of the total number of reported home mortgage and small loans to businesses originated or purchased. In drawing conclusions relative to the bank's performance in the state of Michigan and AA, we took into consideration aggregate lending, demographic and market share information. We also considered information from two community contacts about the credit and community development needs of the AA. Refer to the community profiles for the state of Michigan in *Appendix C* for detailed demographics and other performance context information for the AA. Additionally, refer to the table in *Appendix A: Scope of Examination* for additional information.

## **LENDING TEST**

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

The bank's performance under the lending test in Michigan is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Michigan non-MSA AA is good.

### **Lending Activity**

First Federal's overall lending activity within the state of Michigan is good.

Refer to Table 1 Lending Volume in the state of Michigan section of *Appendix D* for the facts and data used to evaluate the bank's lending activity.

First Federal's lending activity is good in the Michigan non-MSA AA. The bank's overall lending volume throughout the evaluation period in the AA is commensurate with the bank's

local deposit presence, especially considering the large number of lenders originating or purchasing home mortgage and small loans to businesses in the AA. Specifically, there are significantly more lenders originating or purchasing loans in the AA than there are depository institutions with branch offices. The lenders include local and non-local depository institutions, as well as non-bank financial institutions.

As of June 30, 2016 and June 30, 2017, FDIC Deposit Market Share reports show First Federal ranked third each year in deposits among 14 depository institutions with 17.30 percent and 17.43 percent of the deposit market share, respectively. According to 2016 and 2017 peer home mortgage aggregate lending data, First Federal ranked third each year among the 224 and 231 lenders with market shares of 6.72 percent and 4.90 percent in originating or purchasing home mortgage loans within the AA, respectively. Based on peer aggregate small loans to businesses data, the bank ranked seventh out of 57 lenders with a market share of 4.39 percent in 2016. As of 2017, First Federal's small loans to businesses market share was 3.70 percent, ranking eighth among the 55 lenders lending within the market.

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

The bank's overall geographic distribution of home mortgage and small loans to businesses throughout the AA is good. There were no low-income CTs within the AA during the 2014 through 2017 evaluation period. In drawing our conclusions, we gave consideration to the level of competition within the AA. Additionally, we also gave consideration to the fact that there were a limited number of moderate-income tracts with a limited percentage of the AAs owner-occupied housing units and non-farm businesses located in moderate-income CTs.

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

Refer to Tables 2 in the state of Michigan section of *Appendix D* for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations or purchases.

The bank's overall geographic distribution of home mortgage loans in the Michigan non-MSA AA is good. During 2014 through 2016, the bank's percentage of home mortgage lending in moderate-income tracts at 3.07 percent was less than the percentage of the AAs owner-occupied housing units located in moderate-income CTs at 6.59 percent. However, the bank's percentage of home mortgage loans originated or purchased in moderate-income tracts was near the peer home mortgage aggregate lending percentage of 3.22 percent.

The bank's lending in moderate-income tracts of the AA in 2017 improved as compared to 2014 through 2016. The percentage of the bank's home mortgage loans in moderate-income geographies at 7.73 percent was near the percentage of the AA's owner-occupied housing units at 8.61 percent. Additionally, the bank's percentage of lending in moderate-income tracts of the AA was slightly higher than the peer aggregate lending percentage of 6.88 percent.

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

Refer to Tables 4 in the state of Michigan section of *Appendix D* for the facts and data used to evaluate the geographic distribution of the bank's origination or purchase of small loans to businesses.

The bank's geographic distribution of small loans to businesses in the Michigan non-MSA AA is excellent. From 2014 through 2016, First Federal's small loans to businesses lending at 10.57 percent exceeded the percentage of businesses located in moderate-income tracts at 6.67 percent. Additionally, peer aggregate small loans to businesses lending only equated to 6.72 percent in moderate-income tracts. In 2017, the bank's small loans to businesses lending in moderate-income tracts was 22.64 percent, which exceeded the percentage of the AA's non-farm businesses in moderate-income tracts of 17.06 percent. In addition, the bank's percentage also exceeded peer's percentage of small loans to businesses aggregate lending in moderate-income tracts of 14.42 percent.

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

We reviewed summary reports and maps, and analyzed First Federal's home mortgage and small loans to businesses lending over the evaluation period to identify any gaps in the geographic distribution of loan activity. We did not identify any unexplained, conspicuous gaps.

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

This ratio is a bank-wide calculation and is not calculated by individual AA or state. Analysis is limited to bank originations and purchases made in the bank's AAs. For the 2014 through 2017 evaluation period, First Federal originated or purchased by number a majority of home mortgage and small loans to business loans inside its AAs. The bank's home mortgage loans originated or purchased in the AAs by number equated to 90.60 percent, while small loans to businesses totaled 89.39 percent. By dollar amount, the percentage of home mortgage and small loans businesses originated or purchased in the bank's AAs totaled 87.45 percent and 84.61 percent, respectively.

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

First Federal's distribution of home mortgage and small loans to businesses by income level of the borrower is good.

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

Refer to Tables 3 in the state of Michigan section of *Appendix D* for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank's borrower distribution of home mortgage loans within the Michigan non-MSA AA is good. In drawing our conclusion, we gave consideration to the level of poverty rates and competition in the AA. From 2014 through 2016, the bank's percentage of home mortgage loans at 8.80 percent to low-income borrowers was significantly below the percentage of AA low-income families of 16.15 percent. However, the bank's percentage exceeded the peer

home mortgage aggregate lending percentage of 5.19 percent. Additionally, the bank's percentage of loans to moderate-income borrowers at 20.67 percent exceeded the percentage of AA moderate-income families of 17.11 percent. In addition, the bank's percentage of lending to moderate-income families was slightly higher than the peer home mortgage aggregate lending percentage of 19.04 percent.

In 2017, the bank's lending to low-income and moderate-income borrowers was similar to 2014 through 2016. The bank's percentage of home mortgage loans to low-income borrowers at 6.70 percent was slightly above the percentage of peer home mortgage aggregate lending percentage of 5.21 percent. In comparison to the percentage of low-income families living in the AA, the bank's home mortgage lending to low-income borrowers was significantly below the demographic comparator of 17.81 percent. However, the bank's percentage of lending in comparison to the percentage of AA low-income families is considered reasonable, as 12.88 percent of families in the AA were living below poverty. The bank's percentage of loans to moderate-income borrowers at 20.10 percent slightly exceeded both the percentage of moderate-income families at 17.85 percent, and the peer home mortgage aggregate lending percentage of 18.98 percent.

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

Refer to Tables 5 in the state of Michigan section of *Appendix D* for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to small businesses.

First Federal's borrower distribution of small loans to small businesses reflects a good penetration among businesses of different sizes within the Michigan non-MSA AA. From 2014 through 2016, the bank's percentage of small loans to small businesses originated or purchased at 52.85 percent is significantly below the percentage of small businesses in the AA that report revenues of \$1 million or less. However, the bank's percentage of small loans to small businesses originated or purchased exceeded peer's percentage of small loans to small businesses of 42.32 percent. In 2017, the bank's lending to small businesses was similar to 2014 and 2016. The bank's percentage of small loans to small businesses at 52.85 percent was significantly below the percentage of small businesses in the AA. However, the bank's percentage of small loans to small businesses slightly exceeded the peer small loans to small businesses percentage of 49.76 percent.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Michigan section of *Appendix C* for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. Additionally, Tables 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans; however, it does not list CD loans separately.

First Federal's CD lending performance in the Michigan Non-MSA AA was relatively high, and had a positive impact on the bank's rating for the Lending Test, with activity consisting of six loans totaling \$8.6 million within the AA. Five of the loans were for multi-family rental units with rents affordable to low- and moderate-income individuals. Some of these loans also supported

revitalization efforts in low- and moderate-income geographies. Examples of community development lending include:

- A \$2.5 million loan to renovate an apartment building located in a moderate-income census tract in Adrian, Michigan. Renovation of this building helps to revitalize the neighborhood and it provides affordable housing for low- and moderate-income individuals in 10 of the 17 units in the building.
- A \$200,000 line of credit to Habitat for Humanity to fund the construction of homes for low- and moderate-income individuals in Lenawee County.
- A \$381,000 loan to rehabilitate six duplex homes to provide affordable housing in a moderate-income census tract. All twelve units are to be rented to low- and moderate-income individuals.

### **Product Innovation and Flexibility**

The bank offers a mix of government insured mortgage loans, which offer no or low down payment options. These programs include FHA and USDA Rural Development loans. Additionally, the bank offered Freddie Mac's Home Possible and Fannie Mae's Home Ready program loan products. In 2015, the bank developed an in-house Community Mortgage loan product, which provides opportunities for low- and moderate-income individuals to purchase a home despite not qualifying for secondary market financing. Community Mortgage loans have no private mortgage insurance requirements, points, or loan-level price adjustments, and borrowers are able to finance 100 percent of the purchase price of the home. The bank also partnered with the FHLB's Welcome Home Program, which secures down payment and closing cost assistance for low- and moderate-income individuals. First Federal also developed and offered two loan products that provide funding for home improvements or improving home energy efficiency. These products are known as BTEE and BTHI. The BTEE and BTHI products allow home owners residing in low- and moderate-income CTs to invest in improving their homes. The BTEE and BTHI loans have no closing costs and low fixed rates. Based on bank reports, First Federal originated the following during the review period.

- 11 Home Possible and Home Ready loans totaling \$774,000;
- 35 USDA Rural Housing home loans totaling approximately \$4.0 million;
- Two FHA home loans totaling \$355,000;
- 21 Community Mortgage loans totaling approximately \$1.4 million;
- 26 BTEE and BTHI loans totaling \$175,000 million; and
- Secured down payment or closing cost assistance for nine home loans.

They also offer small business loans in partnership with the SBA. Based on bank reports, First Federal originated four loans for an approximate total of \$1.3 million.

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

There are no areas receiving a limited scope review within the state of Michigan.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Michigan is rated "Low Satisfactory." Based on the full-scope review, the bank's performance in the Michigan non-MSA AA is adequate.

Refer to Table 6 in the state of Michigan section of *Appendix D* for the facts and data used to evaluate the bank's level of qualified investments.

First Federal's responsiveness to the CD needs of the AA is adequate. The bank made the following current and prior period qualified investments during the evaluation period.

- Financial grants and in-kind donations totaling \$49,066 to 19 local community organizations for CD initiatives related to affordable housing, financial education, job creation and social services for low- and moderate-income individuals.
- A prior period investment in a municipal bond for school remodeling with a current value of \$430,000, as well as a LIHTC with an outstanding value of \$1.1 million as of December 31, 2017.

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

There are no areas receiving a limited scope review within the state of Michigan.

## **SERVICE TEST**

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

The bank's overall performance under the service test in Michigan is rated "Outstanding." Based on the full-scope review, the bank's performance in the Michigan non-MSA AA is excellent.

### **Retail Banking Services**

Refer to Table 7 in the state of Michigan section of *Appendix D* for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

First Federal's branch distribution in the Michigan non-MSA AA throughout the evaluation period is excellent. As of the 2010 U.S. Census, the AA had no low-income tracts and three moderate-income tracts. The bank did not open or close any branches within the AA during the evaluation period. As of the 2015 ACS Census, the AA continued to have no low-income tracts but the number of moderate-income tracts increased to five. The changes to the income



level of tracts resulted in one of the bank's existing branches being located within a moderate-income tract. This branch is centrally located amongst four contiguous moderate-income tracts in Lenawee County. First Federal also has one other branch that is adjacent to one of these moderate-income tracts. These branch locations allow the bank to reasonably provide access to financial services to 80 percent of the AA's moderate-income areas. Additionally, the bank has a stand-alone ATM that accepts deposits located in a moderate-income CT.

The bank's hours, days of operation, and available services, are provided in a way that does not inconvenience any portions of the AA, including low-or moderate-income areas or individuals. Services offered are comparable among locations regardless of the income level of the geography. Alternative delivery systems are available to further support access to financial services, such as ATMs, and several free banking options, such as online or telephone banking, mobile banking, retail remote deposit capture and online bill pay.

### **Community Development Services**

First Federal provides a relatively high level of CD services within the AA. Nine bank employees provided technical and financial expertise to non-profit groups involved in affordable housing, economic development, financial literacy and social services for low- or moderate-income individuals, through the following activities:

- Eight bank officers and staff serve on several non-profit boards and committees that provide affordable housing, economic development or social services to low- to moderate-income individuals and geographies. Positions include being treasurer or a member of the finance committee.
- Financial literacy programs for low- to moderate-income individuals.
- Working with the Michigan State Housing Development Authority (MSHDA) on coordinating grants for low- to moderate-income housing.

Additionally, employees participated in other non-qualifying volunteer, outreach, and fundraising service activities that benefited low- and moderate-income individuals and non-profit organizations located within the AA.

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

There are no areas receiving a limited scope review within the state of Michigan.

## State of Indiana

<b>CRA Rating for Indiana<sup>3</sup>:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Low Satisfactory</b>
<b>The service test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating include:

- A good level of lending in home mortgage loans and small loans to businesses;
- An overall good distribution of home mortgage loans and small loans to small businesses throughout geographies with different income levels;
- A good borrower distribution of home mortgage loans and small loans to small businesses;
- An adequate level of CD lending, which had a neutral impact on the bank's overall lending performance;
- An overall adequate level of qualifying investments and donations that were responsive to CD needs;
- An adequate level of CD services that was responsive to community needs; and
- An adequate branch distribution, making access to the bank's financial services reasonable for individuals of all income levels.

## Description of Institution's Operations in Indiana

First Federal has one delineated AA in the state of Indiana. The bank's Fort Wayne AA is comprised of Allen County, which is part of the Fort Wayne, IN MSA, located in the northeast corner of Indiana. The Fort Wayne AA is First Federal's smallest market rating area, representing approximately two percent of the bank's deposits and three percent of home mortgage and small loans to businesses reported during the evaluation period.

The AA also represents one of the bank's smallest markets in terms of its branch network. During the evaluation period, First Federal had only two branch offices located in the AA. Each branch has an ATM and there are no stand-alone ATMs within the AA. During the evaluation period, First Federal did not close or open any branch offices.

First Federal provides a full range of loan and deposit products to the AAs. The bank's primary lending products include home mortgage and commercial loans. First Federal's

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<sup>3</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

penetration into the Fort Wayne AA has improved over the evaluation period. However, the bank has a limited presence. Based on FDIC Deposit Market Share data as of June 30, 2017, First Federal ranked twelfth out of 23 FDIC-insured financial institutions with 0.78 percent market share and \$52 million in AA deposits. Whereas, based on FDIC Deposit Market Share data as of June 30, 2016, the bank ranked thirteenth out of 23 FDIC-insured financial institutions with 0.60 percent market share and \$42 million in AA deposits. In addition to First Federal's limited presence, competition within the AA market is high. Based on the FDIC's June 30, 2016 and 2017 deposit market share data, the top five FDIC-insured financial institutions within the AA had a combined market share of 76.12 and 73.44 percent of deposits, respectively. Based on 2017 peer home mortgage aggregate lending data and peer small loans to businesses data reports, there were 268 other financial institutions originating or purchasing home mortgage loans, and 83 other financial institutions originating or purchasing small loans to businesses within the one county AA.

Refer to the community profiles for the state of Indiana in *Appendix C* for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Indiana**

First Federal's one delineated AA in the state of Indiana includes Allen County, which is located in the Fort Wayne, IN MSA. As a result, we performed a full-scope review of the AA.

The Fort Wayne AA is one of the bank's smallest markets in terms of deposits, loans and branching. In drawing conclusions relative to the bank's performance in the state of Indiana and the AA, we took into consideration the bank's limited presence, competition, demographic and market share information. We completed one community contact with an organization located within the AA that has a focus on affordable housing. Refer to the community profiles for the state of Indiana in *Appendix C* for detailed demographics and other performance context information for the AA. Additionally, refer to the table in *Appendix A: Scope of Examination* for additional information.

## **LENDING TEST**

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

The bank's performance under the lending test in Indiana is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Fort Wayne AA is good.

### **Lending Activity**

First Federal's overall lending activity in the state of Indiana is good.

Refer to Table 1 Lending Volume in the state of Indiana section of *Appendix D* for the facts and data used to evaluate the bank's lending activity.

First Federal's lending activity is good in the Fort Wayne AA. The bank's overall lending volume throughout the evaluation period in the AA is commensurate with the bank's local deposit presence, especially considering the large number of lenders originating or purchasing home mortgage and small loans to businesses in the AA. Specifically, there are significantly more lenders originating or purchasing loans in the AA than there are depository institutions with branch offices. The lenders include local and non-local depository institutions and non-bank financial institutions.

As of June 30, 2016 and June 30, 2017, FDIC Deposit Market Share reports show First Federal ranked thirteenth and twelfth in deposits among 23 depository institutions with 0.60 percent and 0.78 percent of the deposit market share, respectively. According to 2016 and 2017 peer home mortgage aggregate lending data, First Federal ranked forty-third and thirty-fifth with market shares of 0.49 percent and 0.55 percent among the 280 and 269 lenders in originating or purchasing home mortgage loans within the AA, respectively. Based on peer aggregate small loans to businesses lending data, the bank ranked eighteenth with a market share of 1.02 percent out of 79 lenders in 2016. As of 2017, First Federal's small loans to businesses market share was 1.16 percent, with the bank ranking seventeenth among the 84 lenders originating or purchasing small loans to businesses within the AA.

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

The bank's overall geographic distribution of home mortgage and small loans to businesses throughout the Fort Wayne AA is good. In drawing our conclusions, we gave consideration to the level of competition, as well as the bank's limited presence within the Fort Wayne AA.

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

Refer to Tables 2 in the state of Indiana section of *Appendix D* for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations or purchases.

The bank's overall geographic distribution of home mortgage loans in the Fort Wayne AA is good. During 2014 through 2016, the bank's percentage of home mortgage lending in low-income CTs at 3.85 percent was near the percentage of AA owner occupied housing units at 5.52 percent, and slightly exceeded the peer home mortgage aggregate lending percentage of 1.46 percent. First Federal's lending in moderate-income tracts at 16.15 percent was less than the percentage of the AAs owner-occupied housing units located in moderate-income CTs at 21.92 percent. However, the bank's percentage of home mortgage loans originated or purchased in moderate-income tracts slightly exceeded the peer home mortgage aggregate lending percentage of 14.84 percent.

As of 2017, the bank's home mortgage lending percentage at 7.35 percent in low-income CTs was slightly higher than the percentage of AA owner occupied housing units, and significantly exceeded the peer home mortgage aggregate lending percentage of 2.25 percent. Additionally, the percentage of the bank's home mortgage loans in moderate-income tracts at 11.76 percent was near the percentage of the AA's owner-occupied housing units at 15.14 percent. First Federal's percentage of lending in moderate-income tracts of the AA was slightly less than the peer aggregate lending percentage of 13.98 percent.

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

Refer to Tables 4 in the state of Indiana section of *Appendix D* for the facts and data used to evaluate the geographic distribution of the bank's origination or purchase of small loans to businesses.

The bank's geographic distribution of small loans to businesses in the Fort Wayne AA is excellent. Based on the bank's small loans to businesses lending from 2014 through 2016, the bank's percentage of small loans to businesses originated or purchased in low-income tracts equated to 12.02 percent, which exceeded both the percentage of non-farm businesses at 10.67 percent and the peer percentage of small loans to businesses of 9.58 percent in low-income tracts. Additionally, the bank's percentage of small loans to businesses in moderate-income CTs totaled 22.95 percent, and was near the percentage of the AA's non-farm businesses totaling 25.72 percent, and slightly exceeded the peer percentage of small loans to businesses of 22.20 percent.

In 2017, the bank's small loans to businesses lending in low-income tracts was 20.90 percent, which was significantly higher than the percentage of the AA's non-farm businesses at 7.58 percent. Additionally, the bank's small loans to businesses lending in low-income tracts significantly exceeded peer's percentage of small loans to businesses aggregate lending at 7.45 percent. The bank's percentage of small loans to businesses lending in moderate-income CTs at 26.87 percent exceeded both the percentages of non-farm small businesses and peer small loans to businesses aggregate lending in the AA. Specifically, the percentage of the AA's non-farm small businesses in moderate-income tracts totaled 20.21 percent, and peer's percentage of small loans to businesses aggregate lending equated to 21.29 percent.

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

We reviewed summary reports and maps, and analyzed First Federal's home mortgage and small loans to businesses lending over the evaluation period to identify any gaps in the geographic distribution of loan activity. We did not identify any unexplained, conspicuous gaps.

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

This ratio is a bank-wide calculation and is not calculated by individual AA or state. Analysis is limited to bank originations and purchases made in the bank's AAs. For the 2014 through 2017 evaluation period, First Federal originated or purchased by number a majority of home mortgage and small loans to business loans inside its AAs. The bank's home mortgage loans originated or purchased in the AAs by number equated to 90.60 percent, while small loans to businesses totaled 89.39 percent. By dollar amount, the percentage of home mortgage and small loans businesses originated or purchased in the bank's AAs totaled 87.45 percent and 84.61 percent, respectively.

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

The bank's overall distribution of loans by income level of the borrower is good.

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

Refer to Tables 3 in the state of Indiana section of *Appendix D* for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank's borrower distribution of home mortgage loans within the Fort Wayne AA is good. In drawing our conclusion, we gave consideration to the level of poverty rates and the level of competition and the bank's limited presence in the AA. From 2014 through 2016, the bank's percentage of home mortgage loans to low-income borrowers at 6.92 percent was significantly below the percentage of AA low-income families of 19.54 percent. However, the bank's percentage of lending in comparison to the percentage of AA low-income families is considered reasonable as 11.34 percent of families in the AA were living below poverty. In addition, the bank's percentage of lending to low-income borrowers was near the peer home mortgage aggregate lending percentage of 8.19 percent. The bank's percentage of loans to moderate-income borrowers at 20.67 percent exceeded the percentage of AA moderate-income families of 17.11 percent. In addition, the bank's percentage of lending to moderate-income families was slightly higher than the peer home mortgage aggregate lending percentage of 19.04 percent.

In 2017, the bank's percentage of home mortgage lending to low-income borrowers exceeded the percentage of the AAs low-income families at 20.69 percent, as well as the peer home mortgage aggregate lending percentage of 10.85 percent. However, the bank's percentage of loans to moderate-income borrowers at 11.76 percent was significantly below the percentage of the AAs moderate-income families at 21.76 percent. In addition, the bank's percentage of lending to moderate-income borrowers was significantly below the peer home mortgage aggregate lending percentage of 21.77 percent.

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

Refer to Tables 5 in the state of Indiana section of *Appendix D* for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to small businesses.

First Federal's geographic distribution of small loans to small businesses in the Fort Wayne AA is adequate. In determining our geographic conclusion, we considered the bank's limited presence, and competition in lending throughout the AA, as primary factors affecting its ability to lend. From 2014 through 2016, the bank's percentage of small loans to small businesses originated or purchased at 28.96 percent is significantly below the percentage of small businesses in the AA that report revenues of \$1 million or less. In addition, the bank's percentage of small loans to small businesses originated or purchased was below peer's percentage of small loans to small businesses of 40.57 percent. In 2017, though slightly improved, the bank's lending to small businesses was similar to 2014 and 2016. First Federal's percentage of small loans to small businesses at 33.82 percent was significantly below the percentage of small businesses in the AA at 80.25 percent and below the peer small loans to small businesses percentage of 47.24 percent.

## Community Development Lending

Refer to Table 1 Lending Volume in the state of Indiana section of *Appendix C* for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

First Federal's CD lending performance in the Fort Wayne AA is adequate, which had a neutral impact on the overall lending rating. The bank's CD lending activity consisted of two loans totaling \$3.2 million within the AA. Some of these loans also supported revitalization efforts in low- and moderate-income geographies. Examples of community development lending include:

- A \$2.5 million loan to construct a Habitat for Humanity Restore building in a low-income census tract. Habitat uses the profits to provide affordable housing and zero-interest mortgages on homes for low- and moderate-income individuals.
- A \$700,000 loan to rehabilitate eight blighted structures which will serve as affordable housing for low- and moderate-income families.

## Product Innovation and Flexibility

The bank offers a mix of government insured mortgage loans, which offer no or low down payment options. These programs include FHA and USDA Rural Development loans. Additionally, the bank offered Freddie Mac's Home Possible and Fannie Mae's Home Ready program loan products. In 2015, the bank developed an in-house Community Mortgage loan product, which provides opportunities for low- and moderate-income individuals to purchase a home despite not qualifying for secondary market financing. Community Mortgage loans have no private mortgage insurance requirements, points, or loan-level price adjustments, and borrowers are able to finance 100 percent of the purchase price of the home. The bank also partnered with the FHLB's Welcome Home Program, which secures down payment and closing cost assistance for low- and moderate-income individuals. First Federal also developed and offered two loan products that provide funding for home improvements or improving home energy efficiency. These products are known as BTEE and BTHI. The BTEE and BTHI products allow home owners residing in low- and moderate-income CTs to invest in improving their homes. The BTEE and BTHI loans have no closing costs and low fixed rates. Based on bank reports, First Federal originated the following during the review period.

- 12 Home Possible and Home Ready loans totaling approximately \$1.1 million;
- Two USDA Rural Housing home loans totaling \$219,000;
- Two FHA home loans totaling \$272,000 million;
- Nine Community Mortgage loans totaling \$574,000;
- 19 BTEE and BTHI loans totaling \$154,000; and
- Secured down payment or closing cost assistance for four home loans.

They also offer small business loans in partnership with the SBA. Based on bank reports, First Federal originated six loans totaling \$910,438.

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

There are no areas receiving a limited scope review within the state of Indiana.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Indiana is rated "Low Satisfactory." Based on the full-scope review, the bank's performance in the Fort Wayne AA is adequate.

Refer to Table 6 in the state of Indiana section of *Appendix D* for the facts and data used to evaluate the bank's level of qualified investments.

First Federal's responsiveness to the CD needs of the AA is adequate. The bank made the following current and prior period qualified investments during the evaluation period.

- Financial grants and in-kind donations of \$37,715 to 15 local community organizations for CD initiatives related to affordable housing, youth programs and social services for low- and moderate-income individuals.
- One prior period investment in a LIHTC with an outstanding value of \$785,904 as of December 31, 2017, indicating a responsiveness to affordable housing needs of the AA.

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

There are no areas receiving a limited scope review within the state of Indiana.

## **SERVICE TEST**

The bank's overall performance under the service test in Indiana is rated "Low Satisfactory." Based on the full-scope review, the bank's performance in the Fort Wayne AA is adequate.

### **Retail Banking Services**

Refer to Table 7 in the state of Indiana section of *Appendix D* for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

First Federal's branch distribution in the Fort Wayne AA throughout the evaluation period is adequate. As of the 2010 U.S. Census, the bank did not have any branches located in low- or moderate-income tracts. The bank did not open or close any branches within the AA during the evaluation period. As of the 2015 ACS Census, the number of low- and moderate-income tracts in the AA decreased to 12 and 24, respectively. The changes to the income level of tracts did not result in either of the bank's existing branches being located within a low- or moderate-income tracts. However, First Federal has one branch that is a reasonable distance



from both a low- and moderate- income tract, providing access to financial services in that area.

The bank's hours, days of operation, and available services, are provided in a way that does not inconvenience any portions of the AA, including low-or moderate-income areas or individuals. Products and services offered are comparable among locations regardless of the income level of the geography. Alternative delivery systems are available to further support access to financial services, such as ATMs, and several free banking options, such as online or telephone banking, mobile banking, retail remote deposit capture and online bill pay.

### **Community Development Services**

First Federal's responsiveness to the CD service needs of the AA is good and the bank delivers a good level of CD services. Ten bank employees provided technical and financial expertise to non-profit groups involved in affordable housing, financial literacy and social services for low- or moderate-income individuals through the following activities:

- Six bank officers and staff serve on several non-profit boards and committees that provide affordable housing or social services to low- to moderate-income individuals and geographies. Committee participation includes an affordable housing loan committee and several finance committees.
- Financial literacy programs for low- to moderate-income individuals.

Additionally, employees participated in other non-qualifying volunteer, outreach, and fundraising service activities that benefited low- and moderate-income individuals and non-profit organizations located within the AA.

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

There are no areas receiving a limited scope review within the state of Indiana.

## 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (01/01/2014 to 12/31/2017) Investment and Service Tests and CD Loans: (01/01/2015 to 12/31/2017)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First Federal Bank of the Midwest (First Federal or bank) Defiance, Ohio	Home Mortgage Loans Small Loans to Businesses	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
No affiliate products reviewed.		No affiliate products reviewed.
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Ohio		
Ohio Non-MSA	Full-Scope	Defiance, Hancock, Henry, Marion, Paulding, Putnam, Van Wert, Williams, Wyandot, Seneca (portion) Counties
Toledo	Full-Scope	Lucas, Fulton, Wood, Ottawa Counties
Lima	Limited Scope	Allen County
Columbus	Not reviewed	Branch opened on April 3, 2017. Less than one year of activity. Therefore, an analysis of performance would not be meaningful.
Michigan		
Michigan Non-MSA	Full-Scope	Lenawee and Hillsdale Counties
Indiana		
Fort Wayne	Full-Scope	Allen County

# Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS		BANK NAME		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First Federal Bank of the Midwest	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State:				
Ohio	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Michigan	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory
Indiana	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

## Appendix C: Community Profiles for Full-Scope Areas

### State of Ohio

#### Ohio non-MSA Assessment Area

Demographic Information for Full-Scope Area: Ohio non-MSA 2014 - 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	66	0.00	13.64	57.58	28.79	0.00
Population by Geography	289,760	0.00	12.65	53.83	33.52	0.00
Owner-Occupied Housing by Geography	88,679	0.00	10.40	55.09	34.51	0.00
Business by Geography	14,690	0.00	14.85	51.49	33.66	0.00
Family Distribution by Income Level	80,104	15.73	17.32	23.08	43.86	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	26,481	0.00	19.92	55.30	24.79	0.00
Median Family Income (MFI) FFIEC Adjusted MFI for 2016 Households Below the Poverty Level	= \$52,573 = \$55,400 = 11.00%				Median Housing Value Unemployment Rate	= \$112,407 = 4.33%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census and 2016 FFIEC updated MFI.

Demographic Information for Full-Scope Area: Ohio non-MSA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	89	3.37	13.48	56.18	25.84	1.12
Population by Geography	373,416	2.36	11.35	54.90	29.86	1.52
Owner-Occupied Housing by Geography	108,692	1.52	8.78	56.72	32.99	0.00
Business by Geography	18,489	2.99	11.01	55.14	30.83	0.04
Family Distribution by Income Level	99,941	17.39	17.32	22.14	43.15	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	34,689	4.43	17.67	57.33	20.57	0.00
Median Family Income (MFI) FFIEC Adjusted MFI for 2017 Households Below the Poverty Level	= \$56,217 = \$57,600 = 12.80%				Median Housing Value Unemployment Rate	= \$109,357 = 3.66%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2015 ACS Census data and 2017 FFIEC updated MFI.

First Federal's Ohio non-MSA AA is located in the northwestern and north central regions of Ohio and was comprised of eight contiguous counties as of 2014 through 2016, which

increased to 10 counties starting in 2017. Additionally, the AA is contiguous to the bank's other two AAs in Ohio, as well as the Michigan non-MSA and Fort Wayne AAs. In February 2017, the bank acquired The Commercial Savings Bank, a bank located in the Ohio non-MSA AA. The acquisition resulted in the expansion of the AA by two counties, Marion and Wyandot Counties. As of 2017, the AA included Defiance, Hancock, Henry, Paulding, Putnam, Van Wert, Williams, Marion, Wyandot, and a portion of Seneca Counties. The Ohio non-MSA AA meets the requirements of the CRA and does not arbitrarily exclude low- or moderate-income geographies.

First Federal's greatest opportunity for home mortgage and small business lending is within the AA's middle- and upper-income CTs. Based on 2010 US Census data, the bank's AA consisted of 66 CTs that included no low-income, nine moderate-income, 38 middle-income, and 19 upper-income CTs. Only 10.40 percent of the owner-occupied housing units and 14.85 percent of the non-farm businesses were located in the moderate-income CTs. Given the 2015 ACS Census data changes and the addition of Marion and Wyandot Counties in 2017, the number of CTs in the AA increased to 89 with the number of low-income CTs equating to three and middle-income CTs increasing to 12. The number of middle-income CTs increased to 50 and the number of upper-income CTs increased to 23. Additionally, the percentage of owner-occupied housing units located in low-income CTs totaled 1.52 percent and the percentage of owner-occupied housing units located in moderate-income CTs decreased to 8.78 percent. The percentage of non-farm businesses in low-income CTs equated to 2.99 percent, while the percentage of non-farm businesses located in moderate-income CTs decreased to 11.01 percent.

Based on 2010 US Census data, the AA population totaled 289,760 persons with most of the population located in middle- and upper-income tracts. Based on 2015 ACS Census data and the addition of the two counties, the AA population increased to 373,416 persons. The middle- and upper-income tracts held the majority of the population at 54.90 percent and 29.86 percent, respectively. The percentage of population in the low- and moderate-income tracts only equated to 2.36 percent and 11.35 percent, respectively. Comparing 2010 Census data to 2015 ACS Census data, the updated median family income increased from \$55,400 to \$57,600 with the median housing value decreasing from \$112,407 to \$109,357. In addition, the percentage of the AA low-income families increased from 15.73 percent to 17.39 percent and the percentage of moderate-income families remained the same at 17.32 percent. The percentage of households below poverty increased from 11.00 percent to 12.80 percent.

The total of non-farm businesses in the AA increased when comparing 2010 US Census data to 2015 ACS Census data. Based on 2010 US Census data, the number of non-farm businesses within the AA totaled 14,690 with 76.99 percent reporting \$1 million or less in revenue. Based on 2015 ACS Census data, the number of non-farm businesses increased slightly to 18,489. Out of the 18,489 non-farm businesses, 76.41 percent reported as having revenue of \$1 million or less. Based on both the 2010 and 2015 census data, the majority of non-farm businesses operated with fewer than five employees.

The competition within the AA is high. Based on the FDIC June 30, 2017 Deposit Market Share Report, First Federal is ranked second with 15.01 percent deposit market share. Wells Fargo is ranked first with 22.33 percent deposit market share. The FDIC report also states that there are 37 other federal and state chartered banks operating in the AA. Based on 2016 and

2017 peer aggregate mortgage data, there were 222 and 271 home mortgage lenders within the AA for each respective year. In addition, based on 2016 and 2017 peer small loans to businesses aggregate data, there were 69 and 78 lenders originating or purchasing small loans to businesses within the AA, respectively.

Economic conditions in the AA have been improving. According to data obtained from the Bureau of Labor Statistics, the unemployment rate for the AA declined from 7.02 percent to 4.07 percent from 2014 to 2017. The unemployment rate for the state of Ohio also declined from 7.4 percent to 4.4 percent from 2014 to 2017. Major employers in the AA include Defiance Metal Products, General Motors, Johns Manville Corp, Defiance Regional Medical Center, and Mercy Defiance Clinic.

We considered context information from three community development organizations that provide affordable housing and social services within the AA. The contacts identified opportunities for First Federal to assist with community development. Specifically, the community contacts identified a need for affordable housing construction, housing improvement loans, small dollar consumer loans, and loans to small manufacturers. There is also a need for donations to health care, social services, and educational organizations.

## Toledo, OH Assessment Area

Demographic Information for Full-Scope Area: Toledo, OH 2014 - 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	177	15.25	16.95	42.94	24.29	0.56
Population by Geography	651,429	8.83	15.57	45.55	29.25	0.80
Owner-Occupied Housing by Geography	178,021	5.30	11.79	49.03	33.89	0.00
Business by Geography	34,649	6.00	13.00	45.85	34.90	0.25
Family Distribution by Income Level	166,319	21.24	16.76	20.50	41.50	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	63,203	17.19	21.88	45.11	15.80	0.01
Median Family Income (MFI)	= \$53,834					
FFIEC Adjusted MFI for 2016	= \$56,655					
Households Below the Poverty Level	= 15.77%					
				Median Housing Value	= \$131,090	
				Unemployment Rate	= 5.84%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 U.S. Census and 2016 FFIEC updated MFI.

Demographic Information for Full-Scope Area: Toledo, OH 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	178	20.22	15.17	38.20	25.28	1.12
Population by Geography	648,793	12.38	13.66	41.42	31.68	0.87
Owner-Occupied Housing by Geography	168,219	6.27	11.02	45.12	37.59	0.00
Business by Geography	34,715	11.51	9.59	40.17	38.62	0.10
Family Distribution by Income Level	161,494	22.48	16.45	19.85	41.21	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	62,876	19.99	19.84	42.07	18.10	0.00
Median Family Income (MFI)	= \$57,186					
FFIEC Adjusted MFI for 2017	= \$58,477					
Households Below the Poverty Level	= 17.73%					
				Median Housing Value	= \$118,363	
				Unemployment Rate	= 4.90%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2015 ACS Census data and 2017 FFIEC updated MFI.

The Toledo AA is located in the north central region of Ohio and borders the state of Michigan. The Toledo AA includes the counties of Lucas, Fulton, Wood and Ottawa. The three counties of Lucas, Fulton and Wood make up the Toledo, OH MSA. The Toledo, OH MSA along with Ottawa County are included in the Toledo-Port Clinton, OH combined statistical area. The AA is contiguous to the Ohio non-MSA and Michigan non-MSA AAs. The Toledo AA meets the requirements of the CRA and does not arbitrarily exclude low- or moderate-income geographies.

According to the 2010 U.S Census, the AA includes 177 CTs, with 27 low-income CTs and 30 moderate-income CTs. Of the remaining CTs, 76 were middle-income and 43 were upper-income CTs. Of the 178,021 owner-occupied housing units in the AA, 5.30 percent were located in low-income CTs and 11.79 percent were located in moderate-income CTs. In addition, only 6 percent and 13 percent of non-farm businesses were located in low- and moderate-income CTs, respectively. Based on 2015 ACS U.S Census updated data, the number of CTs in the AA increased to 178. The number of low-income CTs increased to 36 and the number of moderate-income CTs decreased to 27. Over 63 percent of CTs are middle- or upper-income. The percentage of owner-occupied housing units located in low-income CTs increased to 6.27 and the percentage of owner-occupied housing units located in moderate-income CTs decreased to 11.02. Further, the percentage of non-farm businesses located in low-income CTs increased to 11.51 and the percentage of non-farm businesses located in moderate-income CTs decreased to 9.59.

Comparing 2010 U.S Census and the 2015 ACS U.S Census data, the total population of the AA slightly decreased by 2,636 persons. The number of persons located in low-income CTs increased by 3.55 percent and the number of persons located in moderate-income CTs decreased by 1.91 percent. The percentage of persons located in middle- or upper-income CTs decreased from 74.8 percent to 73.1 percent. Adjusted median family income increased from \$56,655 to \$58,477 and the median housing value decreased from \$131,090 to \$118,363. The percentage of low-income families increased from 21.24 to 22.48, and the percentage of moderate-income families was relatively unchanged. The percentage of households below the poverty limit increased from 15.77 percent to 17.73 percent.

The total number of non-farm businesses in the AA remained relatively steady from 2010 to 2015. Of the 34,649 non-farm businesses as of the 2010 U.S Census, 78.67 percent reported revenue less than or equal to \$1 million. According to the 2015 ACS U.S Census, the percentage of non-farm businesses reporting less than or equal to \$1 million in revenue slightly decreased to 78.4. The majority of non-farm businesses within the AA operated with fewer than five employees during the review period.

First Federal faces high competition within the AA. According to the FDIC June 30, 2017 Deposit Market Share Report, there were a total of 25 financial institutions in the market, operating 195 branch offices throughout the AA. First Federal is ranked ninth with a 3.61 percent deposit market share. The top three financial institutions of Huntington National Bank, Fifth Third Bank, and KeyBank held deposit market shares of 23.72 percent, 21.37 percent, and 10.19 percent, respectively. Based on 2016 and 2017 peer aggregate mortgage data, there were 336 and 331 other home mortgage lenders within the AA for each respective year. Additionally, based on 2016 and 2017 peer small business lending data, there was 89 and 90 other financial institutions originating or purchasing small loans to businesses within the AA, respectively.

Economic conditions in the AA gradually improved during the review period. According to the Bureau of Labor Statistics, the unemployment rate in the AA decreased from 8.70 percent to 5.15 percent from 2014 to 2017. Ottawa County had the highest unemployment rate in the AA, with its unemployment rate decreasing from 11.70 percent to 7.70 percent from 2014 to 2017. The majority of households in the AA derive income from wages and salaries. Top employers



in the AA include ProMedica Health Systems, Mercy Health Partners, The University of Toledo, and Chrysler Group LLC.

We considered context information from two community development organizations that provide affordable housing and small business development within the AA. There are opportunities for the bank to make community development loans, investments, and services within the AA. The community development organizations identified specific needs for small dollar business loans, lines of credit for community development organizations, and donations for social services. The community development organizations also identified opportunities to serve on the board of directors for community development organizations.

**State of Michigan**

**Michigan non-MSA Assessment Area**

Demographic Information for Full-Scope Area: MI non-MSA 2014 - 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	35	0.00	8.57	65.71	25.71	0.00
Population by Geography	146,580	0.00	8.13	57.71	34.16	0.00
Owner-Occupied Housing by Geography	44,541	0.00	6.59	57.54	35.87	0.00
Business by Geography	6,803	0.00	6.67	62.08	31.25	0.00
Family Distribution by Income Level	39,084	16.15	17.11	21.57	45.17	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,002	0.00	12.58	63.05	24.37	0.00
Median Family Income (MFI)	= \$51,187					
FFIEC Adjusted MFI for 2016	= \$52,600					
Households Below the Poverty Level	= 12.88%					
			Median Housing Value		= \$129,486	
			Unemployment Rate		= 5.58%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 U.S. Census and 2016 FFIEC updated MFI.

Demographic Information for Full-Scope Area: MI non-MSA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	35	0.00	14.29	68.57	17.14	0.00
Population by Geography	145,080	0.00	13.79	64.59	21.62	0.00
Owner-Occupied Housing by Geography	42,939	0.00	8.61	68.63	22.75	0.00
Business by Geography	6,740	0.00	17.06	63.72	19.21	0.00
Family Distribution by Income Level	37,217	17.81	17.85	21.29	43.04	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,272	0.00	17.71	68.80	13.49	0.00
Median Family Income (MFI)	= \$53,542					
FFIEC Adjusted MFI for 2017	= \$55,800					
Households Below the Poverty Level	= 14.17%					
			Median Housing Value		= \$109,719	
			Unemployment Rate		= 4.11%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2015 ACS Census data and 2017 FFIEC updated MFI.

First Federal designates Hillsdale and Lenawee Counties as its Michigan non-MSA AA. The counties are located in Southeastern Michigan and are contiguous to each other and to the bank's Ohio non-MSA and Toledo AAs. The Michigan non-MSA AA meets the requirements of the CRA and does not arbitrarily exclude low- or moderate-income geographies.

First Federal's opportunity to lend in low- and moderate-income CTs during the review period was limited by geographic factors. According to the 2010 U.S Census, the AA consists of 35 CTs with zero low-income and only three moderate-income CTs. Of the remaining CTs, 23 were middle-income and nine were upper-income. Only 6.59 percent of owner-occupied housing and 6.67 percent of non-farm businesses were located in moderate-income CTs. Middle-income CTs contained the largest percentage of owner-occupied housing and non-farm businesses with 57.54 percent and 62.08 percent, respectively. Based on 2015 ACS U.S Census data changes, the AA remained at 35 CTs with zero low-income and five moderate-income. The percentage of owner-occupied housing and non-farm businesses located in moderate-income CTs increased to 8.61 and 17.06, respectively.

According to 2010 U.S Census and 2015 ACS U.S Census data, the total population of the AA slightly decreased from 146,580 to 145,080 persons from 2010 to 2015. The number of persons located in moderate-income CTs increased by 5.66 percent. The percentage of persons located in middle- or upper-income CTs decreased from 91.87 to 86.21 from 2010 to 2015. Although the adjusted median family income increased from \$52,600 to \$55,800, the median housing value decreased from \$129,486 to \$109,719. The number of low- and moderate-income families increased by 1.66 percent and 0.74 percent, respectively. The percentage of households below the poverty level increased from 12.88 percent to 14.17 percent.

The total number of non-farm businesses in the AA remained relatively unchanged from 2010 to 2015. 2010 U.S Census data shows that 82.18 percent of non-farm businesses reported revenue less than or equal to \$1 million. According to 2015 ACS U.S Census data, the percentage of non-farm businesses reporting revenue less than or equal to \$1 million slightly decreased to 81.68 percent. The majority of non-farm businesses operated with fewer than five employees.

There is high competition within the AA. Based on the FDIC June 30, 2017 Deposit Market Share Report, First Federal is ranked third in deposit market share with 17.43 percent. Old National Bank and Hillsdale National County Bank are the top ranked banks by deposit market share with market shares of 20.64 percent and 20.19 percent, respectively. The FDIC report also shows that in addition to First Federal, there are 13 other federal or state chartered banks operating in the AA. Of the 36 branch offices of federal and state chartered banks in the AA, First Federal operates five. According to 2016 and 2017 peer aggregate mortgage data, there were 223 and 230 other home mortgage lenders within the AA, respectively. Additionally, based on 2016 and 2017 peer small business lending data, there was 56 and 54 other financial institutions originating or purchasing small loans to businesses within the AA, respectively.

Economic conditions in the AA have been improving as evidenced by declining unemployment rates. According to data obtained from the Bureau of Labor Statistics, the unemployment rate for the AA declined from 7.9 percent to 4.2 percent from 2014 to 2017. The unemployment rate for the state of Michigan declined from 8.4 percent to 4.3 percent from 2014 to 2017. Top employment sectors in the AA include healthcare, education, manufacturing, and retail. The major employers in the AA include Bixby Medical Center, Lenawee County, public schools and colleges, and Adrian Steel.

We considered context information from two community development organizations that provide affordable housing and social services within the AA. Representatives of the community development organizations identified a need for construction of new duplex, condominium, and apartment units. There are opportunities to invest in public transportation, education, and job training. There is also a need for expansion of a local recreational trail. In addition, one representative specifically mentioned that First Federal provides beneficial support to the community including donations and participation in community service events.

**State of Indiana**

**Fort Wayne, IN Assessment Area**

Demographic Information for Full-Scope Area: Fort Wayne, IN 2014 - 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	96	13.54	29.17	32.29	23.96	1.04
Population by Geography	355,329	9.04	26.61	33.35	30.82	0.19
Owner-Occupied Housing by Geography	95,908	5.52	21.92	37.27	35.29	0.00
Business by Geography	21,572	10.67	25.72	32.38	30.84	0.39
Family Distribution by Income Level	89,926	19.54	18.49	22.62	39.35	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	34,200	16.59	37.67	31.35	14.39	0.00
Median Family Income (MFI)	= \$60,235					
FFIEC Adjusted MFI for 2016	= \$58,300					
Households Below the Poverty Level	= 11.34%					
			Median Housing Value		= \$112,027	
			Unemployment Rate		= 4.28%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 U.S. Census and 2016 FFIEC updated MFI.

Demographic Information for Full-Scope Area: Fort Wayne, IN 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	96	12.50	25.00	36.46	22.92	3.13
Population by Geography	363,453	10.56	19.44	38.80	30.49	0.71
Owner-Occupied Housing by Geography	96,765	6.73	15.12	41.97	36.07	0.11
Business by Geography	22,514	7.58	20.21	35.74	31.39	5.08
Family Distribution by Income Level	91,978	20.69	17.93	21.76	39.61	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	35,524	18.35	27.87	36.49	17.02	0.27
Median Family Income (MFI)	= \$60,884					
FFIEC Adjusted MFI for 2017	= \$63,700					
Households Below the Poverty Level	= 14.27%					
			Median Housing Value		= \$111,417	
			Unemployment Rate		= 4.09%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2015 ACS Census data and 2017 FFIEC updated MFI.

First Federal’s Fort Wayne AA is comprised only of Allen County, IN. Allen County is part of the Fort Wayne MSA and is located in Northeast Indiana. The Fort Wayne AA is contiguous to the bank’s Ohio non-MSA AA. The Fort Wayne AA meets the requirements of the CRA and does not arbitrarily exclude any low- or moderate-income geographies.

Based on 2010 US Census Data, the AA consisted of 96 CTs including 13 low-income, 28 moderate-income, 31 middle-income, and 23 upper-income CTs. Only 5.52 percent of owner-occupied housing and 10.67 percent of non-farm businesses were located in low-income CTs. Also, 21.92 percent of owner-occupied housing and 25.72 percent of non-farm businesses were located in moderate-income CTs. According to 2015 ACS Census data updates, the number of CTs in the AA remained at 96. The number of low- and moderate-income CTs decreased to 12 and 24, respectively. The percentage of owner-occupied housing in low-income CTs increased to 6.73 and the percentage of non-farm businesses in low-income CTs decreased to 7.58. Further, the percentage of owner-occupied housing and non-farm businesses located in moderate-income CTs decreased to 15.12 and 20.21, respectively.

According to the 2010 US Census and the 2015 ACS US Census, the population of the AA increased from 355,329 to 363,453 persons. The percentage of persons located in low- or moderate-income CTs decreased from 35.65 percent to 30 percent. The adjusted median family income increased from \$58,300 to \$63,700 and the median housing value was relatively unchanged. The total percentage of families that are either low- or moderate-income was also relatively unchanged from 2010 to 2015. However, the percentage of households below the poverty level increased from 11.34 percent to 14.27 percent.

Total non-farm businesses in the AA increased from 21,572 to 22,514 from 2010 to 2015. According to 2010 US Census and 2015 ACS Census data, the percentage of non-farm businesses in the AA reporting less than or equal to \$1 million in revenue increased from 79.90 percent to 80.25 percent. During the review period, the majority of non-farm businesses operated with fewer than five employees.

Competition within the AA is high. According to data obtained from the FDIC June 30, 2017 Deposit Market Share Report, First Federal is ranked 12<sup>th</sup> in the AA with 0.78 percent deposit market share. Wells Fargo and JPMorgan Chase had the two highest deposit market shares in the AA with 27.59 percent and 16.97 percent, respectively. Including First Federal, there are 23 federal or state chartered banks operating in the AA. Of the 103 branch offices of federal or state chartered banks in the AA, First Federal operates two. Based on 2016 and 2017 peer aggregate mortgage data, there were 279 and 268 other home mortgage lenders within the AA for each respective year. Additionally, based on 2016 and 2017 peer small business lending data, there was 78 and 83 other financial institutions originating or purchasing small loans to businesses within the AA, respectively.

Economic conditions in the AA are strong. According to the Bureau of Labor Statistics, the unemployment rate for the AA decreased from 6.3 percent to 2.9 percent from 2014 to 2017. The unemployment rate for the state of Indiana decreased from 6.6 percent to 3.2 percent from 2014 to 2017. The top employment sectors in the AA are education and health services, manufacturing, and retail trade. Top employers in the AA include Parkview Health Systems, Lutheran Health Network, General Motors, and Lincoln Financial.

We considered context information from one community development organization that provides affordable housing in the AA. A representative from the community development organization identified opportunities for First Federal to assist with community development. The representative identified a need for affordable housing construction, housing improvement loans, down-payment assistance, and reduced origination costs for LMI individuals.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases 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 MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 1, 2, 4, 5a, and 6a; and (3) Partially geocoded loans are included in the Total Loans and percentage of Bank Loans Column in Core Tables 1, 2, 4, 5a, and 6a. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1a. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Mortgage 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 share information based on the most recent aggregate market data available.
- Table 3. 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 MA/assessment area. The table also presents

market share information based on the most recent aggregate market data available.

- Table 4. 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 share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 5. 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. 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 5a. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6a. 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 share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 6a. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) 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. 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 6. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/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 be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**Table 7. 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 MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**OHIO**

Institution ID: 10000704192

**Table 1. Lending Volume**

LENDING VOLUME		Geography: OHIO				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2017						
Assessment Area (AA):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Ohio Non-MSA	58.36	3,936	444,777	1,444	266,770	342	49,622	10	7,700	5,732	768,869	68.39
Toledo	31.88	1,883	253,089	940	176,188	304	42,671	4	540	3,131	472,488	20.35
<b>Limited Review:</b>												
Lima	9.76	735	77,674	199	55,788	25	4,663	0	0	959	138,125	11.26

\* Loan Data as of January 1, 2014 through December 31, 2017. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2015 to December 31, 2017. Data excludes the \$3.0 million Community Development loan originated and benefiting the statewide area.

\*\*\* Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Ohio – Lending 2014 - 2016

Institution ID: 10000704192

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

Geographic Distribution: HOME MORTGAGE LOANS		Geography: OHIO					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Ohio Non-MSA	2,841	59.30	0.00	0.00	10.40	8.06	55.09	50.55	34.51	41.39	0.00	9.78	51.48	38.74
Toledo	1,404	29.31	5.30	1.14	11.79	7.41	49.03	44.52	33.89	46.94	1.10	6.39	47.26	45.25
<b>Limited Review:</b>														
Lima	546	11.39	5.60	1.28	10.43	5.86	51.30	47.07	32.67	45.79	2.10	6.97	53.53	37.39

Data shown as a percentage of loans with geographic information available.

\* Based on 2016 Peer Mortgage Data -- US and PR.

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Borrower Distribution of Home Mortgage Loans**

Borrower Distribution: HOME MORTGAGE LOANS			Geography: OHIO				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Ohio Non-MSA	2,841	59.30	15.73	8.06	17.32	23.37	23.08	22.25	43.86	41.99	6.07	21.55	21.73	35.69
Toledo	1,404	29.31	21.24	8.62	16.76	17.74	20.50	21.79	41.50	44.02	6.89	17.06	22.91	40.06
<b>Limited Review:</b>														
Lima	546	11.39	21.47	9.89	17.45	23.81	22.40	21.98	38.69	41.39	7.80	20.43	23.07	27.86

Data shown as a percentage of loans with geographic information available.

\* Based on 2016 Peer Mortgage Data.

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: OHIO				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Ohio Non-MSA	1,022	53.17	0.00	0.00	14.85	13.80	51.49	45.40	33.66	40.80	0.00	13.93	51.45	34.62	
Toledo	749	38.97	6.00	2.00	13.00	6.81	45.85	52.60	34.90	38.58	4.24	9.95	43.54	42.27	
<b>Limited Review:</b>															
Lima	151	7.86	15.32	21.19	11.27	3.97	47.92	47.68	25.49	27.15	12.44	8.20	49.40	29.95	

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

Institution ID: 10000704192

Table 5. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: OHIO			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% 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
<b>Full Review:</b>									
Ohio Non-MSA	1,022	53.17	76.99	47.46	57.83	18.88	23.29	3,782	1,549
Toledo	749	38.97	78.67	44.86	52.74	23.77	23.50	9,385	4,122
<b>Limited Review:</b>									
Lima	151	7.86	76.39	33.11	46.36	16.56	37.09	1,102	362

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.07% of small loans to businesses originated and purchased by the bank.

Ohio – Lending 2017

Institution ID: 10000704192

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

Geographic Distribution: HOME MORTGAGE LOANS												Geography: OHIO				Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017			
Assessment Area:	Total Home Mortgage Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Ohio Non-MSA	1,095	62.11	1.52	0.18	8.78	8.13	56.72	61.83	32.99	29.86	0.77	9.22	54.41	35.60					
Toledo	479	27.17	6.27	4.59	11.02	10.86	45.12	38.41	37.59	46.14	2.35	7.69	44.94	45.02					
<b>Limited Review:</b>																			
Lima	189	10.72	2.68	2.12	12.82	13.23	52.65	42.33	31.85	42.33	1.23	9.46	53.63	35.68					

Data shown as a percentage of loans with geographic information available.

\* Based on 2017 Peer Mortgage Data -- US and PR.

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2015 ACS Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Borrower Distribution of Home Mortgage Loans**

Borrower Distribution: HOME MORTGAGE LOANS		Geography: OHIO										Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017			
Assessment Area:	Total Home Mortgage Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>†</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>4</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp	
<b>Full Review:</b>															
Ohio Non-MSA	1,095	62.11	17.39	7.21	17.32	26.39	22.14	23.74	43.15	37.63	7.00	23.18	24.21	33.72	
Toledo	479	27.17	22.48	9.39	16.45	22.76	19.85	17.33	41.21	43.22	6.69	19.21	22.28	39.19	
<b>Limited Review:</b>															
Lima	189	10.72	21.74	11.64	17.04	28.57	21.57	22.75	39.66	34.92	7.98	20.07	24.18	38.06	

Data shown as a percentage of loans with borrower information available.

<sup>†</sup> Based on 2017 Peer Mortgage Data -- US and PR.

<sup>\*\*</sup> Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2015 ACS Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available.

<sup>4</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)



Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: OHIO						Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Ohio Non-MSA	422	63.84	2.99	0.47	11.01	13.03	55.14	57.58	30.83	28.91	1.50	10.35	58.71	29.43
Toledo	191	28.90	11.51	7.33	9.59	7.33	40.17	39.79	38.62	45.55	9.61	8.94	38.15	43.29
<b>Limited Review:</b>														
Lima	48	7.26	4.77	2.08	19.57	16.67	44.49	47.92	31.18	33.33	3.12	18.23	45.52	33.14

\* Based on 2017 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2017).

Table 5. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: OHIO			Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017			
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% 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
<b>Full Review:</b>									
Ohio Non-MSA	422	63.84	76.41	48.82	59.95	21.09	18.96	4,158	1,915
Toledo	191	28.90	78.40	45.03	52.36	25.13	22.51	7,950	3,793
<b>Limited Review:</b>									
Lima	48	7.26	76.01	31.25	37.50	25.00	37.50	1,037	391

\* Based on 2017 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2017).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 4.08% of small loans to businesses originated and purchased by the bank.

Ohio – Qualified Investments and Distribution of Branch Delivery System 2015 - 2017

Institution ID: 10000704192

**Table 6. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: OHIO				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Ohio Non-MSA	6	1,370	111	2,280	117	3,650	34.97	0	0
Toledo	2	1,524	79	5,021	81	6,545	62.70	0	0
<b>Limited Review:</b>									
Lima	1	219	23	24	24	243	2.33	0	0

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\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 7. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																Geography: OHIO				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2017			
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population									
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography as of 2017									
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp						
<b>Full Review:</b>																							
Ohio Non-MSA	68.39	21	61.77	0.00	4.76	66.67	28.57	1	1	0	0	0	0	2.36	11.35	54.90	29.86						
Toledo	20.35	9	26.47	11.11	0.00	22.22	66.67	2	0	+1	0	+1	0	12.38	13.66	41.42	31.68						
<b>Limited Review:</b>																							
Lima	11.26	4	11.76	0.00	0.00	50.00	50.00	0	0	0	0	0	0	6.66	18.53	47.60	27.22						

**MICHIGAN**

Institution ID: 10000704192

**Table 1. Lending Volume**

LENDING VOLUME		Geography: MICHIGAN						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2017				
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Michigan Non-MSA	100.00	944	105,445	299	50,657	191	30,558	6	8,600	1,440	195,260	100.00

\* Loan Data as of December 31, 2014 and December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2015 to December 31, 2017.

\*\*\* Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME MORTGAGE LOANS			Geography: MICHIGAN				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Michigan Non-MSA	750	100.00	0.00	0.00	6.59	3.07	57.54	53.33	35.87	43.60	0.00	3.22	49.49	47.30

Data shown as a percentage of loans with borrower information available.

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Borrower Distribution of Home Mortgage Loans**

Borrower Distribution: HOME MORTGAGE LOANS		Geography: MICHIGAN					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>5</sup>			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>5</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Michigan Non-MSA	750	100.00	16.15	8.80	17.11	20.67	21.57	23.60	45.17	44.67	5.19	19.04	22.28	41.01

Data shown as a percentage of loans with borrower information available.

\* Based on 2016 Peer Mortgage Data -- US and PR.

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available.

<sup>5</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: 10000704192

Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: MICHIGAN		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Michigan Non-MSA	246	100.00	0.00	0.00	6.67	10.57	62.08	51.63	31.25	37.80	0.00	6.72	56.18	37.09					

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).



Institution ID: 10000704192

Table 5. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MICHIGAN			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data *	
	#	% of Total**	% 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
<b>Full Review:</b>									
Michigan Non-MSA	246	100.00	82.18	52.85	55.28	21.95	22.76	1,685	713

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.22% of small loans to businesses originated and purchased by the bank.

Michigan - Lending 2017

Institution ID: 10000704192

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

Geographic Distribution: HOME MORTGAGE LOANS			Geography: MICHIGAN				Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017							
Assessment Area:	Total Home Mortgage Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Michigan Non-MSA	194	100.00	0.00	0.00	8.61	7.73	68.63	61.34	22.75	30.93	0.00	6.88	64.74	28.39

Data shown as a percentage of loans with borrower information available.

\* Based on 2017 Peer Mortgage Data -- US and PR

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2015 ACS Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Borrower Distribution of Home Mortgage Loans**

Borrower Distribution: HOME MORTGAGE		Geography: MICHIGAN						Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017						
Assessment Area:	Total Home Mortgage Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>†</sup>			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>6</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Michigan Non-MSA	194	100.00	17.81	6.70	17.85	20.10	21.29	23.71	43.04	47.42	5.21	18.98	24.22	38.30

Data shown as a percentage of loans with borrower information available.

\* Based on 2017 Peer Mortgage Data -- US and PR.

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2015 ACS Census information.

\*\*\*\* As a percentage of loans with borrower income information available.

<sup>6</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: MICHIGAN		Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*						
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp			
<b>Full Review:</b>																	
Michigan Non-MSA	53	100.00	0.00	0.00	17.06	22.64	63.72	47.17	19.21	30.19	0.00	14.42	63.71	21.87			

\* Based on 2017 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2017).

Table 5. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MICHIGAN			Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% 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
<b>Full Review:</b>									
Michigan Non-MSA	53	100.00	81.68	52.83	62.26	24.53	13.21	1,431	712

\* Based on 2017 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2017).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.89% of small loans to businesses originated and purchased by the bank.

Michigan – Qualified Investments and Distribution of Branch Delivery System 2015 - 2017

Institution ID: 10000704192

**Table 6. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: MICHIGAN				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Michigan Non-MSA	2	1,530	19	49	21	1,579	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 7. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: MICHIGAN Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2017																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Michigan Non-MSA	100.00	5	100.00	0.00	20.00	80.00	0.00	0	0	0	0	0	0	0.00	13.79	64.59	21.62

**INDIANA**

Institution ID: 10000704192

**Table 1. Lending Volume**

LENDING VOLUME		Geography: INDIANA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2017				
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Indiana	100.00	198	27,014	183	45,403	1	240	2	3,200	383	75,857	100.00

\* Loan Data as of December 31, 2014 and December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2015 to December 31, 2017.

\*\*\* Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.



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

Geographic Distribution: HOME MORTGAGE LOANS		Geography: INDIANA					Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016							
Assessment Area:	Total Home Mortgage Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Indiana	130	100.00	5.52	3.85	21.92	16.15	37.27	30.77	35.29	49.23	1.46	14.84	36.95	46.74

Data shown as a percentage of loans with borrower information available.

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Borrower Distribution of Home Mortgage Loans**

Borrower Distribution: HOME MORTGAGE LOANS		Geography: INDIANA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Home Mortgage Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>7</sup>			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>7</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Indiana	130	100.00	19.54	6.92	18.49	20.00	22.62	20.00	39.35	44.62	8.19	18.90	20.00	34.80

Data shown as a percentage of loans with borrower information available.

\* Based on 2016 Peer Mortgage Data -- US and PR.

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available.

<sup>7</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: INDIANA						Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Indiana	183	100.00	10.67	12.02	25.72	22.95	32.38	35.52	30.84	29.51	9.58	22.20	32.71	35.51

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

Table 5. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: INDIANA			Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data *	
	#	% of Total**	% 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
<b>Full Review:</b>									
Indiana	183	100.00	79.90	28.96	38.80	33.88	27.32	6,059	2,458

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 7.10% of small loans to businesses originated and purchased by the bank.

Indiana - Lending 2017

Institution ID: 10000704192

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

Geographic Distribution: HOME MORTGAGE LOANS		Geography: INDIANA						Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017						
Assessment Area:	Total Home Mortgage Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Indiana	68	100.00	6.74	7.35	15.14	11.76	42.02	42.65	36.11	36.76	2.25	13.98	41.27	42.45

Data shown as a percentage of loans with borrower information available.

\* Based on 2017 Peer Mortgage Data -- US and PR

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2015 ACS Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Borrower Distribution of Home Mortgage Loans**

Borrower Distribution: HOME MORTGAGE			Geography: INDIANA				Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017							
Assessment Area:	Total Home Mortgage Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>8</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Indiana	68	100.00	20.69	25.00	17.93	11.76	21.76	22.06	39.61	35.29	10.85	21.77	21.48	29.46

Data shown as a percentage of loans with borrower information available.

\* Based on 2017 Peer Mortgage Data -- US and PR.

\*\* Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2015 ACS Census information.

\*\*\*\* As a percentage of loans with borrower income information available.

<sup>8</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: INDIANA				Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017					Aggregate Lending (%) by Tract Income*			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans				
<b>Full Review:</b>														
Indiana	67	100.00	7.58	20.90	20.21	26.87	35.74	37.31	31.39	14.93	7.45	21.29	37.10	34.15

\* Based on 2017 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2017).

Table 5. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: INDIANA		Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% 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
<b>Full Review:</b>									
Indiana	68	100.00	80.25	33.82	36.76	29.41	33.82	5,855	2,766

\* Based on 2017 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2017).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.47% of small loans to businesses originated and purchased by the bank.



Indiana – Qualified Investments and Distribution of Branch Delivery System 2015 - 20

Institution ID: 10000704192

**Table 6. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: INDIANA				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Indiana	1	786	15	38	16	824	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 7. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: INDIANA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2017																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Indiana	100.00	2	100.00	0.00	0.00	0.00	100.00	0	0	0	0	0	0	10.56	19.44	38.80	30.49