



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

PUBLIC DISCLOSURE

February 17, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Fifth Third Bank of Northwestern Ohio, N.A.

Charter Number 14586

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Toledo, Ohio 43604

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NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Glossary of Abbreviations and Terms	
Assessment Area	The geographic area(s) defined by an institution which are used to assess the institution's record of CRA performance.
ATM	Automated Teller Machine
CDC	Community Development Corporation (or Company)
CRA Disclosure	Report based on annual information filed by financial institutions as required by the CRA reflecting small business, small farm, and community development loan activity.
Geography	Locally defined statistical units commonly known as Census Tracts in MSAs and Block Numbering Areas in rural areas.
HMDA	Home Mortgage Disclosure Act - a statute that requires certain mortgage lenders to file annual summary reports of housing-related lending activity.
Income Levels	Four income categories are designated for areas and individuals. Low-income: an income level that is less than 50% of the median Moderate-income: an income level that is at least 50% but below 80% of the median Middle-income: an income level that is at least 80% but below 120% of the median Upper-income: an income level that is above 120% of the median
MSA	Metropolitan Statistical Area - An area containing a city with a population of at least 50,000, or an urban area with a population of 50,000 within a metropolitan area of at least 100,000.
Tier One Capital	For regulatory purposes, capital is separated into two major groups. The primary Tier One components are common stock, noncumulative perpetual preferred stock, surplus, undivided profits, net worth certificates, minority interest in unconsolidated subsidiaries, less ineligible deferred tax assets, less ineligible intangible assets.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Fifth Third Bank of Northwestern Ohio, N.A.** prepared by The Office of the Comptroller of the Currency, the institution's supervisory agency, as of February 17, 1998. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

Institution's CRA Rating: This institution is rated "**Satisfactory record of meeting community credit needs.**" The prior Performance Evaluation dated August 26, 1996 also resulted in an assigned rating of "Satisfactory record of meeting community credit needs."

Summary of Performance: Fifth Third Bank of Northwestern Ohio, N.A. has affirmatively addressed community credits needs. Key factors in reaching this conclusion are:

- Loan volumes in 1996 and 1997 reflect a good responsiveness to addressing credit needs.
- The geographic distribution of loans has been reasonable. The proportion of HMDA lending in each income segment of the community has been reasonable, and 82% of loans made during the past two years were within the bank's assessment areas.
- Home loans have been made to borrowers at all income levels. In particular, the proportion of Home Purchase and Home Improvement loans to moderate-income borrowers was relatively high in each assessment area.
- Community Development lending levels, totaling \$19.4 million during the past two years, have been reasonable overall and particularly good in the Cleveland area.
- Community Development investment activity has been adequate. Totaling \$4.1 million and representing 1.52% of Tier One Capital, investments have been made in each assessment area.
- Offices are reasonably accessible to all portions of the assessment areas. The provision of Community Development Services has been good.

The following table indicates the performance level of **Fifth Third Bank of Northwestern Ohio, N.A.** with respect to the Lending, Investment, and Service tests.

Performance Levels	Fifth Third Bank of Northwestern Ohio, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory			
Low satisfactory	X	X	X
Needs to improve			
Substantial noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Description of Institution

Fifth Third Bank of Northwestern Ohio, N.A. (Fifth Third-NW) is a full service commercial bank headquartered in Toledo, Ohio. With average assets of \$5.1 billion during 1997, the bank serves all or portions of fifteen counties in northern Ohio through 106 offices. Fifth Third-NW is comprised of two distinct business units, one based in Toledo with assets of \$2.6 billion and the second based in Cleveland with assets of \$2.5 billion. These two business units merged to form one bank in January 1998.

Fifth Third-NW is a wholly-owned subsidiary of Fifth Third Bancorp, a \$21 billion multi-bank holding company based in Cincinnati, Ohio. The Bancorp has eleven bank subsidiaries in Ohio, Indiana, Kentucky, and Florida. Fifth Third-NW is the second largest bank in the system. Non-bank affiliates include Fifth Third Community Development Company.

The bank has a long standing history in the Toledo market. After being an independent bank for over fifty years, the Toledo business unit's predecessor bank, First National Bank of Toledo, became a Fifth Third affiliate bank in 1989. In 1991, the Fifth Third affiliate located in Findlay, Ohio (originally chartered in 1863) was merged with the Toledo bank. The Toledo business unit currently has forty-four banking offices.

The Cleveland business unit began in 1988 as a loan production office focusing on consumer loans for the Cincinnati lead bank affiliate. The Cleveland operation was cultivated into a separate bank affiliate and in 1994 became Fifth Third Bank of Northeastern Ohio. Growth was primarily achieved through acquisition activities. In 1995, the bank acquired Falls Savings and Loan with fourteen offices and \$609 million in assets. This expanded the bank into Summit County and the

City of Akron. In 1996, the bank acquired twenty-eight offices and \$1.4 billion in deposits from First Nationwide Bank, a savings and loan group based in San Francisco, California. The Cleveland business unit currently has sixty-two banking offices.

Fifth Third-NW provides a full range of retail and commercial banking products, as well as trust services. Consumer banking has traditionally been the bank’s primary strategic focus. No legal impediments which impact the bank’s ability to address community credit needs have been identified. On a combined basis at December 31, 1997 the banking units had a loan-to-deposit ratio of 81%, and Tier One Capital was \$269,730,000. Table 1 recaps the bank’s loan portfolio.

Table 1 Fifth Third-NW Loan Portfolio (\$000's)		
Commercial, Industrial, & Business Loans	\$831,855	27%
Residential Mortgages & Home Equity	571,471	19%
Consumer Loans	635,626	21%
Lease Financing	690,254	23%
Other Loans	305,474	10%
Total Loans Outstanding 12/31/97	\$3,034,680	100%

Source: December 31, 1997 Reports of Condition

Description of Assessment Areas

Fifth Third-NW operates in fifteen counties in northern Ohio within three assessment areas (Northwest, Northeast and Central). It was necessary for us to split the Toledo business unit’s single assessment area into two areas because it substantially exceeded MSA boundaries. We also found that the listing of assessment area geographies (census tracts and block numbering areas) within the bank’s public file was not fully consistent with the bank’s actual assessment areas. Furthermore, assessment area geography listings submitted in conjunction with 1996 CRA Disclosure report data were not fully consistent with the bank’s assessment areas. The geographies used for our analyses and referred to throughout this evaluation have been adjusted to accurately reflect the bank’s assessment areas.

Table 2 provides a breakdown of how the bank’s deposits and loans are distributed between the assessment areas, as well as the distribution of various demographic variables. For instance, the Northeast Assessment Area contains 54% of deposit dollars, 83% of the number of low-and moderate-income census tracts, and 77% of the low- and moderate-income families residing in the assessment areas.

Table 2 Assessment Area Breakdown							
Assessment Area	Deposit Dollars %	Loan Dollars %	Low/Mod Tracts %	Low/Mod Families %	Population %	Own-Occ. Housing %	Businesses %
Northeast	54	48	83	77	76	76	77
Northwest	31	35	16	17	17	17	16
Central	15	17	1	6	7	7	7
Total	100%	100%	100%	100%	100%	100%	100%

Sources: Deposit and loan data according to bank reports; U.S. census data; Dun & Bradstreet, Inc. business data.

Performance in each assessment area was considered when drawing conclusions regarding the bank's CRA ratings. A higher degree of emphasis was placed on the Northwest Assessment Area (Toledo MSA) than would be indicated by a strict weighting of demographic characteristics. This was done because the bank has a strong presence in the medium-size Toledo market while having a much smaller position in the Northeast Assessment Area's large-size Cleveland-Akron market. Each of the assessment areas is briefly described below.

The *Northwest Assessment Area* is within the Toledo, Ohio Metropolitan Statistical Area (MSA 8400) and is comprised of Lucas County, most of Wood County, and a small portion of Fulton County in northwest Ohio. Portions of the MSA are not included in the bank's assessment area as no Fifth Third-NW offices are located in those areas. The bank serves the Northwest Assessment Area with thirty offices. Demographic information is provided in Table 3.

Table 3 Fifth Third-NW's Northwest Assessment Area Demographic Data									
TOTAL POPULATION (1990 Census)			576,458		FAMILY INCOME CHARACTERISTICS (Based on 1990 HUD MFI)			Count	%
MSA MEDIAN FAMILY INCOME (MFI)			1990 HUD Median Family Income 35,775		Low (below 50% of median)			31,292	21
1997 HUD Adjusted Median Family Income 44,500					Moderate (50 - 80% of median)			25,433	17
					Middle (80-120% of median)			33,931	23
					Upper (over 120% of median)			57,720	39
					Total			148,376	100
CENSUS TRACT CHARACTERISTICS (Based on HUD Median Family Income)		Tracts		Owner-Occup. Housing Units		Families		Businesses	
		Count	%	Count	%	Count	%	Count	%
Low (below 50% of median)		18	12	5,575	4	9,207	6	2,112	11
Moderate (50 - 80% of median)		34	22	23,041	16	27,373	18	2,532	14
Middle (80-120% of median)		71	47	77,891	54	75,754	51	9,343	50
Upper (over 120% of median)		28	18	36,772	26	36,042	24	4,676	25
Not Classified		1	1	0	0	0	0	12	0
Total		152	100	143,279	100	148,376	100	18,675	100

Sources: U.S. Census data; Dun & Bradstreet, Inc. business data

Note: some percentages may not add to 100% due to rounding

The assessment area is primarily a mix of urban and suburban neighborhoods, with the City of Toledo being the focal point. The low- and moderate-income neighborhoods are primarily centered in downtown Toledo. The local economy has improved and is stable, and unemployment levels have been relatively low. According to the Ohio Bureau of Employment Services, the average unemployment rates for 1997 were 3.5% in Wood County; 5.2% in Lucas County, and 4.9% for Fulton County. The City of Toledo's 1997 unemployment rate was 5.9%. Prominent industries include automotive, glass production, and medical care.

The financial market is highly competitive. Aggregate Home Mortgage Disclosure Act (HMDA) and CRA Disclosure report data reflect that twenty-one institutions had lending volumes in excess of 250 loans in the Toledo MSA in 1996. Some of the primary lending institutions operating in the area are KeyBank, N.A.; Mid-American National Bank & Trust Company; National City Bank; and Standard Federal Bank. Based on its 19% deposit market share, Fifth Third-NW is the financial institution with the largest presence in the Toledo MSA.

The **Northeast Assessment Area** is within the Cleveland-Akron, Ohio Consolidated Metropolitan Statistical Area (Cleveland-Lorain-Elyria MSA 1680, and Akron MSA 0080) in northeast Ohio. The area is comprised of Cuyahoga, Lake, and Summit counties, plus portions of Geauga, Lorain, Medina and Portage counties. Portions of the MSAs are not included in the bank's assessment area as no Fifth Third-NW offices are located in those areas. The bank serves the Northeast Assessment Area with sixty-two offices. Refer to Table 4 for demographic information.

Table 4 Fifth Third-NW's Northeast Assessment Area Demographic Data									
TOTAL POPULATION (1990 Census)		2,570,423		FAMILY INCOME CHARACTERISTICS (Based on 1990 HUD Median Family Income)					
						Count	%		
				Low (below 50% of median)		136,751	20		
				Moderate (50 - 80% of median)		119,177	17		
				Middle (80-120% of median)		163,538	24		
				Upper (over 120% of median)		269,099	39		
				Total		688,565	100		
MSA MEDIAN FAMILY INCOME (MFI)									
1990 HUD MFI Cleveland MSA		36,500							
1990 HUD MFI Akron MSA		35,193							
1997 HUD Adjusted MFI Cleveland MSA		46,900							
1997 HUD Adjusted Median Akron MSA		44,300							
CENSUS TRACT CHARACTERISTICS (Based on HUD Median Family Income)		Tracts		Owner-Occup. Housing Units		Families		Businesses	
		Count	%	Count	%	Count	%	Count	%
Low (below 50% of median)		134	17	31,748	5	58,887	9	8,689	9
Moderate (50 - 80% of median)		138	17	78,260	12	100,663	15	10,910	12
Middle (80-120% of median)		317	40	339,311	52	333,444	48	40,603	43
Upper (over 120% of median)		184	23	207,074	32	195,571	28	30,915	33
Not Classified		19	2	27	0	0	0	2,384	3
Total		792	100	656,420	100	688,565	100	93,501	100

Sources: U.S. Census data; Dun & Bradstreet, Inc. business data
 Note: some percentages may not add to 100% due to rounding

The area is primarily a mix of urban and suburban neighborhoods, with Cleveland being the focal point in the north, and Akron being a secondary focal point in the southern portion of the area. The Cleveland-Lorain-Elyria MSA is the largest in the state, with Cleveland being the state's second largest city. The City of Cleveland houses a disproportionate share of the below-poverty population. While 23% of the MSA's population reside in Cleveland, 69% of the MSA's below-poverty households are in Cleveland. It is also noted that 58% of the MSA's minority population is located in the city of Cleveland. The Akron MSA portion of the Northeast Assessment Area represents approximately 24% of the population of the assessment area, with 24% of low- and moderate-income families also located there. The low- and moderate-income neighborhoods are primarily centered in the city of Akron.

The local economy has improved and is stable. Unemployment levels have been relatively low. Except for Lorain County's average rate of 5.8%, all other counties experienced average rates below 5% in 1997. However, the City of Cleveland's unemployment rate was 9.2% and Akron averaged 6.2%. A diverse manufacturing industry produces goods such as refined oil products, steel, paint, automotive related goods, and appliances. Prominent industries in the Akron MSA include health services, automotive, and polymer production.

The financial market is highly competitive and dominated by several large locally-based organizations. Aggregate HMDA data reflect that twenty-five institutions made more than 1,000 loans each in the Cleveland-Akron Consolidated MSA in 1996. Some of the primary lending institutions operating in the area include KeyBank, N.A.; National City Bank; Charter One Bank, F.S.B.; Third Federal Savings & Loan; Banc One Corporation; and Star Bank, N.A. With a 4% deposit market share, Fifth Third-NW has a limited presence in the market.

The *Central Assessment Area* is comprised of Hancock County and portions of Erie, Huron, Sandusky and Seneca counties in northwest and north-central Ohio. Not located in an MSA, this contiguous area is adjacent to the Northwest Assessment Area and is served by the Toledo business unit through fourteen offices. Refer to Table 5 for demographic information.

The assessment area is largely rural. The population base is centered in the cities of Findlay, Fostoria, Tiffin, and Fremont. There are no designated low-income areas, and the three moderate-income geographies are located in Sandusky (Erie County) and Fostoria (Seneca County). Except for a 3.5% unemployment rate in Hancock County, each county experienced higher levels of unemployment than the state's 1997 average of 4.6%. Unemployment levels ranged from 5.1% in Erie County to 8.5% in Huron County. While much of the area is devoted to agricultural, some manufacturing is done as well.

Table 5 Fifth Third-NW's Central Assessment Area Demographic Data																									
TOTAL POPULATION (1990 Census)		245,937		FAMILY INCOME CHARACTERISTICS (Based on 1990 HUD Median Family Income)																					
MEDIAN FAMILY INCOME (MFI) Ohio 1990 Nonmetropolitan HUD MFI		30,563																							
Ohio 1997 Nonmetropolitan HUD MFI		38,800																							
				<table border="1"> <thead> <tr> <th></th> <th>Count</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Low (below 50% of median)</td> <td>9,884</td> <td>15</td> </tr> <tr> <td>Moderate (50 - 80% of median)</td> <td>11,114</td> <td>17</td> </tr> <tr> <td>Middle (80-120% of median)</td> <td>15,803</td> <td>24</td> </tr> <tr> <td>Upper (over 120% of median)</td> <td>30,019</td> <td>45</td> </tr> <tr> <td>Total</td> <td>66,820</td> <td>100</td> </tr> </tbody> </table>					Count	%	Low (below 50% of median)	9,884	15	Moderate (50 - 80% of median)	11,114	17	Middle (80-120% of median)	15,803	24	Upper (over 120% of median)	30,019	45	Total	66,820	100
	Count	%																							
Low (below 50% of median)	9,884	15																							
Moderate (50 - 80% of median)	11,114	17																							
Middle (80-120% of median)	15,803	24																							
Upper (over 120% of median)	30,019	45																							
Total	66,820	100																							
BLOCK NUMBERING AREA (BNA) CHARACTERISTICS (Based on HUD Median Family Income)		BNAs		Owner-Occup. Housing Units		Families		Businesses																	
		Count %		Count %		Count %		Count %																	
Low (below 50% of median)		0 0		0 0		0 0		0 0																	
Moderate (50 - 80% of median)		3 5		2,655 4		3,507 5		712 8																	
Middle (80-120% of median)		38 69		42,756 66		44,174 66		5,573 65																	
Upper (over 120% of median)		14 25		19,654 30		19,139 29		2,241 26																	
Total		55 100		65,065 100		66,820 100		8,526 100																	

Sources: U.S. Census data; Dun & Bradstreet, Inc. business data

Note: some percentages may not add to 100% due to rounding

The financial market is served by a combination of large regional and local community institutions. While there is no dominant bank covering these five counties, several local institutions have a significant presence in their own limited local markets. Fifth Third-NW has an overall 15% share of the deposit market from the combined five county area, and is the largest presence in Hancock and Seneca counties.

Our evaluation took into consideration information derived from members of the community, including information from contacts made during the past two years by the OCC and the other federal financial regulating agencies. Nine contacts were made during the evaluation in the Toledo area, including local government economic development officials; community development corporations focusing attention on economic development, housing, and small business initiatives; a housing advocacy group; local chapters of national advocacy groups; and a community development financial institution. Small (and micro) business financing and housing loans were credit needs identified, and contacts also cited the need for more frequent use of flexible lending guidelines by financial institutions in general. We also made eight contacts in Cleveland, including city economic and community development officials; a business development association; community organizations focusing attention on addressing housing needs; local advocacy groups; and a small business assistance organization. Home improvement loans are cited as a primary need in the City of Cleveland, where a significant portion of the housing stock is in disrepair. Small business financing, including those to minorities, was also cited as a primary credit need.

Conclusions with Respect to Performance Tests

Lending Test

Lending Activity

Lending activity reflects good responsiveness to addressing credit needs. This conclusion is based on the volume of loans generated during the past two years. Table 6 details Fifth Third-NW's lending activity reported for HMDA and CRA Disclosure report purposes. All 1997 information is preliminary.

Table 6 Fifth Third-NW Lending Activity					
Loan Type	Business Unit	1996		1997	
		Count	\$(000's)	Count	\$(000's)
Home Purchase	Cleveland Unit	823	79,549	810	84,752
	Toledo Unit	1,060	81,398	1,019	86,887
	Total	1,883	160,947	1,829	171,639
Home Refinance	Cleveland Unit	602	53,843	523	61,639
	Toledo Unit	535	45,594	641	61,601
	Total	1,137	99,437	1,164	123,240
Home Improvement	Cleveland Unit	1,284	7,787	1,091	10,813
	Toledo Unit	2,628	11,770	2,318	12,639
	Total	3,912	19,557	3,409	23,452
Multifamily	Cleveland Unit	7	2,131	7	647
	Toledo Unit	0	0	0	0
	Total	7	2,131	7	647
Small Business*	Cleveland Unit	326	76,417	372	81,107
	Toledo Unit	808	106,605	759	112,453
	Total	1,134	183,022	1,131	193,560
Small farm	Cleveland Unit	3	607	0	0
	Toledo Unit	47	1,316	50	1,612
	Total	50	1,923	50	1,612
Community** Development	Cleveland Unit	7	4,620	13	9,163
	Toledo Unit	2	73	13	5,545
	Total	9	4,693	26	14,708
Total Loans		8,132	471,710	7,616	528,858

Sources: HMDA data; CRA Disclosure report data, bank reports

*Note: Material inaccuracies were detected in the Small Business data, as discussed below.

**Note: Community Development Loan data has been substantially adjusted from data reported in both 1996 and 1997. Also, 1997 data includes four loans made in early 1998.

HMDA data and CRA Disclosure report data were tested for accuracy. HMDA data was found to be reliable. However, material errors were found within the Small Business data reported. A sample of 100 loans reported for 1997 covering both the Toledo and Cleveland banking units was reviewed. Error rates detected in each unit exceeded 50% of the loans tested, reflecting systemic reporting problems. While the errors were unintentional, we determined the volume and nature of the errors precluded our ability to reach accurate conclusions on the bank's small business lending performance. Therefore, while some general observations can be made, small business lending data was not used to draw performance conclusions during this evaluation. Management began addressing the data collection and reporting system weaknesses during the examination to ensure that future data will be reflective of the bank's actual performance.

Housing Related Lending

Fifth Third-NW is an active home mortgage lender. Consistent with its consumer lending orientation, the bank is a leader in Home Improvement lending, particularly in the Northwest and Central Assessment Areas. These observations are based on analyzing 1996 aggregate market HMDA data, the most recent market data available.

In the Northwest and Central Assessment Areas, Fifth Third-NW was the leading Home Improvement lender, based on the number of loans generated in 1996 and also based on loan volume relative to its presence in the market. A review of lending activity was done for Lucas and Wood Counties, which comprise a substantial majority of the bank's Northwest Assessment Area. Aggregate 1996 HMDA data for Fifth Third-NW and the four other primary commercial bank lenders (KeyBank, N.A. formerly known as Society National Bank; National City Bank, Northwest; The Huntington National Bank; and Mid-American National Bank & Trust Company) was analyzed. Together, these five institutions accounted for approximately 77% of the Home Improvement loans reported in the assessment area. Based on June 30, 1996 FDIC deposit statistics from Lucas and Wood Counties, Fifth Third-NW made 13.2 loans per \$10 million it had in deposits from the area. This lending pace was higher than the other lenders which experienced lending rates ranging from .6 loans to 9.7 loans per \$10 million that they had in deposits from the area.

In the Northeast Assessment Area, Fifth Third-NW was the number four Home Improvement lender in 1996. However, based on a similar market presence analysis as used for the Northwest Assessment Area, the Fifth Third-NW's pace of Home Improvement lending was second only to that of Banc One Corporation.

Fifth Third-NW is also an active home purchase and home refinance lender, as reflected by Table 6. Based on the number of loans made, Fifth Third-NW was the leader in making home purchase loans in the Central Assessment Area in 1996. While not a market leader in the other assessment areas, loan volumes are reasonable and reflect a responsiveness to community credit needs. This conclusion is based on HMDA data and FDIC deposit market presence analyses, similar to those described above. In Wood and Lucas Counties, Fifth Third-NW made 5.8 home purchase and 2.6

home refinance loans per \$10 million it had in deposits from those counties. The bank's pace of lending placed the bank in the middle of the area's five primary lenders.

In the Northeast Assessment Area, Fifth Third-NW made 3.8 home purchase and 2.7 home refinance loans per \$10 million it had in deposits from the six county area. In that area, home mortgage lending is led by three savings and loan institutions. While Fifth Third-NW's Home Purchase lending pace was well behind the savings and loans, it was higher than each of the other primary commercial banks operating in the area (National City Bank; KeyBank, N.A.; the Bank One banks; Star Bank, N.A. and The Huntington National Bank). Fifth Third-NW's pace of Home Refinance lending was about the median for this commercial bank lending group.

Small Business and Small Farm Lending

While data integrity problems preclude us from making conclusions regarding Fifth Third-NW's small business lending performance, a general observation is that the bank is an active small business lender in each of its assessment areas. This observation is based on a review of commercial loan files and internal bank reports. For CRA purposes, *small business loans* are defined as commercial loans originated for \$1 million or less.

Fifth Third-NW is not a significant agriculture lender, as indicated in Table 6. Agricultural lending represents less than 1% of the bank's lending activity and loan portfolio. For CRA purposes, *small farm loans* are defined as farming and agriculture-related business loans originated for \$500,000 or less.

Geographic Distribution of Loans

Fifth Third-NW's geographic distribution of credit extensions has been reasonable. This conclusion is based on: 1) a significant majority of lending activity has occurred within the assessment areas; 2) penetration into all segments of the community has been excellent in the Northwest and Central Assessment Areas, and adequate in the Northeast Assessment Area; 3) the proportion of mortgage lending in the low-, moderate-, middle-, and upper-income segments of the community has been reasonable in all areas. In each assessment area in 1996, Fifth Third-NW made higher percentages of Home Purchase loans in low-income and moderate-income areas than did the aggregate market as a whole.

As reflected in Table 7, 82% of the number of loans and 88% of loan dollars extended in 1996 and 1997 were made within the bank's assessment areas. While the small business data is flawed, we determined that the errors do not materially impact the percentages of small business loans made in and out of the assessment area. Nevertheless, small business data could not be used to draw conclusions regarding other aspects of geographic distribution performance.

Table 7 Lending In and Outside of Assessment Areas (1996-1997)						
Loan Type	Numbers of Loans			Dollars of Loans (000's)		
	Total Loans	Made in Area	% In Area	Total Loans	Made in Area	% In Area
Home Purchase	3,712	3,358	90%	332,586	295,967	89%
Home Refinance	2,301	2,072	90%	222,677	199,982	90%
Home Improvement	7,321	5,288	72%	43,009	32,249	75%
Multifamily	14	14	100%	2,778	2,778	100%
Small Business	2,265	2,058	91%	376,582	326,213	87%
Small Farm	100	85	85%	3,535	2,917	83%
Total Lending Activity	15,713	12,875	82%	981,167	860,106	88%

Sources: HMDA Disclosure Report Data; CRA Disclosure report data

Housing Related Lending

Penetration into the Central and Northwest Assessment Areas has been excellent. In the 1996-97 two year period, the bank made HMDA reported loans in all geographies within the Central Assessment area. Within the Northwest Assessment Area, Fifth Third-NW made loans in 98% of the census tracts. A review of demographic data indicated that only fifty-eight owner-occupied housing units are within the three tracts not penetrated.

HMDA loan penetration in the Northeast Assessment Area has been adequate. While Fifth Third-NW made HMDA loans in 86% of the tracts in the Northeast Assessment Area during the 1996-97 period, penetration into low-income neighborhoods has been low. The bank made no loans in 50, or 37%, of the area's low-income census tracts. No loans were made in eighteen (13%) of moderate-income tracts. Middle and upper income tracts were penetrated to a higher degree, as loans were made in 96% of those tracts. As a result of these initial observations, a detailed analysis of lending patterns was performed. The analysis focused primarily on the City of Cleveland, as that is where the no-activity tracts are concentrated. The following primary factors were considered: the number of owner-occupied housing units in each tract; the number of loans made in each tract by the aggregate market in 1996; Fifth Third-NW's HMDA loan market share in the Northeast Assessment Area; and the bank's rate of lending per 100 owner-occupied housing units within the assessment area as a whole. Based on these factors, we determined that the relative rate of lending opportunities in the no-activity areas was considerably lower than in the middle- and upper-income areas which the bank successfully penetrated. While lending levels in the low- and moderate-income sections of Cleveland have been low, we concluded that no unexplained conspicuous gaps in lending patterns have occurred, especially given the bank's limited presence in the market. We also observed that the percentage of the bank's 1996 and

1997 HMDA loans made in low-income and moderate-income areas was higher than the percentage of the assessment area's owner-occupied housing units located within those tracts.

The proportion of lending to the various tract categories was found to be reasonably consistent with market demographics and aggregate market loan activity. Tables 8, 9, and 10 provide information on the Northwest, Northeast, and Central Assessment Areas respectively. The distribution of owner-occupied housing units is considered to be a primary indicator regarding home loan opportunities within each segment of the market. It is also noted that Fifth Third-NW's percentages of lending in low- and moderate-income areas were comparable to or higher than aggregate market lending percentages in most instances, especially with respect to Home Purchase and Home Improvement loans.

Tract Category	The % of the Number of Loans made in the Toledo MSA assessment area by the Aggregate Market and Fifth Third			The % of population, families and owner occupied housing units from each tract category		
	Total Market Activity 1996	Fifth Third Activity		Population %	Families %	Owner Occupied Housing Units %
		1996	1997			
<i>Low Income Tracts</i>						
Home Purchase	1.2	2.4	1.4	7%	6%	4%
Home Refinance	2.0	1.0	0.9			
Home Improvement	5.9	8.5	7.3			
<i>Moderate Income Tracts</i>				20%	18%	16%
Home Purchase	11.5	16.1	12.1			
Home Refinance	11.8	8.6	7.4			
Home Improvement	20.3	27.1	24.5			
<i>Middle Income Tracts</i>				50%	51%	54%
Home Purchase	54.3	52.2	50.2			
Home Refinance	54.3	49.7	50.0			
Home Improvement	55.9	50.3	54.0			
<i>Upper Income Tracts</i>				22%	24%	26%
Home Purchase	33.0	29.2	36.4			
Home Refinance	31.8	40.7	41.8			
Home Improvement	17.9	14.2	14.3			

Sources: 1990 U.S. Census data; HMDA data;

Note: Some loan product data does not add to 100% due to rounding

Table 9 HMDA Lending by Income Tract Category (Northeast Assessment Area)						
Tract Category	The % of the Number of Loans made in the Toledo MSA assessment area by the Aggregate Market and Fifth Third			The % of population, families and owner occupied housing units from each tract category		
	Total Market Activity 1996	Fifth Third Activity		Population %	Families %	Owner Occupied Housing Units %
		1996	1997			
<i>Low Income Tracts</i>						
Home Purchase	3.3	4.3	4.0	10%	9%	5%
Home Refinance	5.4	2.7	1.7			
Home Improvement	10.5	9.6	10.7			
<i>Moderate Income Tracts</i>						
Home Purchase	10.9	15.5	11.0	16%	15%	12%
Home Refinance	12.8	7.9	4.6			
Home Improvement	20.3	18.8	18.7			
<i>Middle Income Tracts</i>						
Home Purchase	49.8	48.5	49.1	48%	48%	52%
Home Refinance	50.6	49.5	50.3			
Home Improvement	50.8	55.3	53.7			
<i>Upper Income Tracts</i>						
Home Purchase	35.9	31.7	35.9	27%	28%	32%
Home Refinance	31.2	39.9	43.2			
Home Improvement	18.3	16.7	16.7			

Sources: 1990 U.S. Census data; HMDA data;

Note: Some loan product data does not add to 100% due to rounding

Table 10 HMDA Lending by Income Tract Category (Central Assessment Area)						
Tract Category	The % of the Number of Loans made in the Non-MSA assessment area by the Aggregate Market and Fifth Third			The % of population, families and owner occupied housing units from each tract category		
	Total Market Activity 1996	Fifth Third Activity		Population %	Families %	Owner Occupied Housing Units %
		1996	1997			
<i>Low Income Tracts</i>	(There are no Low-Income tracts in this assessment area)					
<i>Moderate Income Tracts</i>						
Home Purchase	4.2	6.8	5.6	6%	5%	4%
Home Refinance	3.2	2.1	5.2			
Home Improvement	6.1	7.6	10.0			
<i>Middle Income Tracts</i>						
Home Purchase	62.0	61.4	60.0	67%	66%	66%
Home Refinance	54.2	59.2	54.0			
Home Improvement	62.6	68.7	66.0			
<i>Upper Income Tracts</i>						
Home Purchase	33.8	31.8	34.2	27%	29%	30%
Home Refinance	38.2	38.7	40.8			
Home Improvement	31.4	23.6	24.0			

Sources: 1990 U.S. Census data; HMDA data;

Note: Some loan product data does not add to 100% due to rounding

Market share analyses determined that overall, Fifth Third-NW's proportion of HMDA-reported lending activity in each census tract income category has been reasonable, and overall lending in low- and moderate-income areas has been good. The analyses used 1996 aggregate HMDA data as this is the most recent information available. In all three assessment areas, the bank achieved higher market shares of Home Purchase loans in low- and moderate-income tracts than it did within those markets as a whole. The same holds true for Home Improvement lending in the Northwest and Central areas. Conversely, Home Refinance lending in low- and moderate-income areas was somewhat lower than the bank's overall market share in each of the three assessment areas. Refer to Table 11.

Table 11 1996 HMDA Geographic Market Share Analysis					
Assessment Areas and Loan Products	Market Share Percentages in Each Tract Category				
	Low Income Tracts	Moderate Income Tracts	Middle Income Tracts	Upper Income Tracts	Total Market Share
Northwest Area					
Home Purchase	14.2	10.0	6.9	6.3	7.1
Home Refinance	2.2	3.2	4.0	5.5	4.3
Home Improvement	55.3	51.0	34.5	30.3	38.3
Northeast Area					
Home Purchase	2.6	2.9	2.0	1.8	2.0
Home Refinance	0.8	1.0	1.5	2.0	1.6
Home Improvement	6.9	6.8	8.2	6.9	7.5
Central Area					
Home Purchase	(There are no low- income tracts in this area)	28.4	17.2	16.3	17.4
Home Refinance		7.3	11.2	11.3	11.1
Home Improvement		33.9	29.5	20.3	26.9

Source: 1996 HMDA Data

In instances where the bank's market share in low- and moderate-income areas is lower than its overall market share, the difference is represented by relatively few loans. For instance, the difference between the 2.2% low-income tract Home Refinance share in the Northwest Area and the bank's 4.3% overall market share represents three loans. Fifth Third-NW would have needed to make three additional low-income area loans to achieve the 4.3% share. The largest disparity in terms of loan numbers is represented by twenty-seven loans in relation to the difference between the 1.0% Home Refinance share in the Northeast Area's moderate-income segment and its 1.6% overall share.

The market share analysis reflects particularly strong performance in the Northwest Assessment Area relative to Home Purchase and Home Improvement lending in low- and moderate-income areas. For Home Improvement loans, the bank made thirty-seven more loans in low-income areas and ninety-six more loans in moderate-income areas than was necessary to achieve the 38.3% overall market share. For Home Purchase loans, the bank made seven more loans in low-income tracts and twenty-nine more loans in moderate-income tracts than was necessary to achieve the 7.1% overall market share.

Borrower Characteristics

Fifth Third-NW has served the credit needs of borrowers at all income levels to a reasonable degree, including low- and moderate-income individuals. This conclusion is based on analyses of HMDA data for the bank and the aggregate market where we found that the proportion of mortgage lending to the low-, moderate-, middle-, and upper-income segments of the population has been reasonable in each assessment area. Tables 12, 13, and 14 compare Fifth Third-NW's performance in each assessment area to the aggregate market and market demographic characteristics.

The proportion of lending to low-income individuals has been adequate. Fifth Third-NW's overall lending record to this segment of the population is somewhat lower than that of the aggregate market, but remains within a reasonable range. While lending percentages are low in relation to the proportion of low-income individuals in the market, the aggregate market lending activity may better reflect the opportunities for making home loans to the low-income segment of borrowers. This is because a portion of the low-income population, such as those below the poverty level, may be less likely to qualify for home loan financing in general.

Fifth Third-NW's proportion of lending to the moderate-income population is considered good. This is especially true with respect to Home Purchase and Home Improvement loans. In each assessment area its percentage of lending to moderate-income borrowers was higher than that of the aggregate market, and higher than the percentage of the population classified as moderate-income.

It is noted that the percentage of lending to low-income and moderate-income individuals generally decreased slightly between 1996 and 1997, especially in the Northwest Assessment Area. As 1997 aggregate market data is not yet available, a market comparison cannot be performed at this time. Regardless, the bank's 1997 performance remains within a reasonable range.

Table 12 HMDA Lending to Individuals by Income Category (Northwest Assessment Area)				
Income Category and Loan Products	The % of the Number of Loans which were made by Fifth Third and aggregate market to individuals in each income category			The % of families in each income category
	Total Market Activity 1996	Fifth Third Activity		
		1996	1997	
<i>Low Income Individuals</i>				
Home Purchase	8.6%	8.5%	8.1%	21%
Home Refinance	6.8%	3.8%	3.1%	
Home Improvement	12.9%	14.0%	12.3%	
<i>Moderate Income Individuals</i>				
Home Purchase	21.5%	25.9%	22.8%	17%
Home Refinance	17.6%	17.2%	13.9%	
Home Improvement	23.0%	27.3%	25.4%	
<i>Middle Income Individuals</i>				
Home Purchase	27.6%	26.0%	24.3%	23%
Home Refinance	26.3%	22.8%	26.4%	
Home Improvement	29.8%	30.6%	31.8%	
<i>Upper Income Individuals</i>				
Home Purchase	41.3%	36.4%	40.9%	39%
Home Refinance	46.5%	53.4%	53.4%	
Home Improvement	32.5%	27.5%	29.9%	

Sources: 1990 U.S. Census data; HMDA data

Note: Some loan product data does not add to 100% due to rounding and activity where applicant income information was not reported.

Table 13 HMDA Lending to Individuals by Income Category (Northeast Assessment Area)				
Income Category and Loan Products	The % of the Number of Loans which were made by Fifth Third and aggregate market to individuals in each income category			The % of families in each income category
	Total Market Activity 1996	Fifth Third Activity		
		1996	1997	
<i>Low Income Individuals</i>				
Home Purchase	7.4	10.2	7.0	20%
Home Refinance	9.2	3.4	3.4	
Home Improvement	14.5	9.7	11.2	
<i>Moderate Income Individuals</i>				
Home Purchase	21.6	22.9	17.7	17%
Home Refinance	19.8	15.3	13.8	
Home Improvement	24.3	25.5	27.5	
<i>Middle Income Individuals</i>				
Home Purchase	28.7	26.9	25.1	24%
Home Refinance	28.4	29.6	22.3	
Home Improvement	29.8	31.9	31.4	
<i>Upper Income Individuals</i>				
Home Purchase	40.7	37.8	47.8	39%
Home Refinance	39.2	50.5	57.7	
Home Improvement	29.6	32.4	28.9	

Sources: 1990 U.S. Census data; HMDA data

Note: Some loan product data does not add to 100% due to rounding and activity where applicant income information was not reported.

Table 14 HMDA Lending to Individuals by Income Category (Central Assessment Area)				
Income Category and Loan Products	The % of the Number of Loans which were made by Fifth Third and aggregate market to individuals in each income category			The % of families in each income category
	Total Market Activity 1996	Fifth Third Activity		
		1996	1997	
<i>Low Income Individuals</i>				
Home Purchase	5.3	5.0	6.2	15%
Home Refinance	3.9	3.1	3.3	
Home Improvement	8.9	10.9	6.4	
<i>Moderate Income Individuals</i>				
Home Purchase	19.9	23.4	26.8	17%
Home Refinance	15.8	15.2	15.0	
Home Improvement	19.2	26.2	28.8	
<i>Middle Income Individuals</i>				
Home Purchase	27.9	34.1	25.9	24%
Home Refinance	28.3	30.4	20.2	
Home Improvement	32.1	32.7	31.6	
<i>Upper Income Individuals</i>				
Home Purchase	45.7	37.1	40.0	45%
Home Refinance	49.4	47.6	59.6	
Home Improvement	38.9	28.7	32.8	

Sources: 1990 U.S. Census data; HMDA data

Note: Some loan product data does not add to 100% due to rounding and activity where applicant income information was not reported.

Market share analyses also reflect that overall, the proportion of Fifth Third-NW's HMDA lending to each borrower income category has been reasonable. Home Purchase and Home Improvement lending to moderate-income individuals has been particularly good, as the bank achieved higher shares to that segment than it achieved for the overall market shares. Conversely, Home Refinance lending to low- and moderate-income individuals was somewhat lower than the bank's respective overall market share in each of the three assessment areas. Refer to Table 15.

Table 15 1996 HMDA Borrower Income Market Share Analysis					
Assessment Areas and Loan Products	Market Share Percentages in Each Borrower Income Category				
	Low Income	Moderate Income	Middle Income	Upper Income	Total Market Share
<i>Northwest Area</i>					
Home Purchase	7.0	8.6	6.7	6.3	7.1
Home Refinance	2.4	4.2	3.8	5.0	4.3
Home Improvement	41.6	45.4	39.4	32.7	38.3
<i>Northeast Area</i>					
Home Purchase	2.8	2.2	1.9	1.9	2.0
Home Refinance	0.6	1.2	1.6	2.0	1.6
Home Improvement	5.1	7.9	8.6	8.2	7.5
<i>Central Area</i>					
Home Purchase	16.7	20.5	21.2	14.1	17.4
Home Refinance	9.1	10.7	12.0	10.8	11.1
Home Improvement	33.0	36.7	27.4	19.8	26.9

Source: 1996 HMDA Data

In most instances where the bank's market share to low- and moderate-income borrowers is lower than its overall market share, the difference is represented by relatively few loans. For instance, the difference between the 9.1% low-income Home Refinance share in the Central Assessment Area and the 11.1% overall market share represents one loan. Fifth Third-NW would have needed to make one additional loan to a low-income borrower to achieve the 11.1% share. In five of the instances where the bank's market share to the low- or moderate-income segments is lower than its overall market share, the differences are represented by only one loan. The largest disparity in terms of loan numbers is represented by fifty-one loans for the difference between the 5.1% Home Improvement share in the Northeast Area's low-income segment and its 7.5% overall share. The bank's Home Refinance lending to low- and moderate-income borrowers in the Northeast Assessment Area reflect moderate differences represented by thirty-two loans and twenty-five loans respectively.

The market share analysis reflects particularly strong performance in the Northwest Assessment Area relative to Home Purchase and Home Improvement lending. For Home Improvement loans, the bank made sixteen more loans to low-income borrowers and sixty-one more loans to moderate-income borrowers than was necessary to achieve the 38.3% overall market share. For

Home Purchase loans, the bank made twenty-eight more loans to moderate-income borrowers than was necessary to achieve the 7.1% overall market share. Home Purchase lending was also good in the Northeast Assessment area where the bank made twenty-two more loans to low-income individuals and ten more loans to moderate-income than needed to achieve its overall 2.0% market share.

Community Development Lending

Fifth Third-NW's community development lending performance has been reasonable, and especially strong in the Northeast Assessment Area. This conclusion is based on the volume of community development loans generated, reflecting the bank's responsiveness to addressing the needs in the market. *Community Development Loans* are generally defined as loans which have community development as their primary purpose, as described by the CRA, and have not been reported as small business loans or one-to-four family loans for HMDA purposes.

Between January 1996 and February 1998, Fifth Third-NW originated thirty-five community development loans totaling \$19.4 million. The majority of these loans were for affordable housing purposes, with many supporting initiatives of non-profit organizations.

Community Development lending has been strong in the Northeast Assessment Area, where the bank made twenty loans for \$13.9 million. While initiatives are concentrated in Cleveland, community development loans were also made in other portions of the assessment area including Akron. Eleven loans were made to support affordable housing and rehabilitation initiatives. Six other loans supported local CDC and non-profit organizations' social service initiatives targeted to providing assistance to low- and moderate-income persons. Three loans were made in support of initiatives to help stabilize low- and moderate-income areas. Performance is considered strong in comparison to other banks considering the volume of loans made with respect to Fifth Third-NW's presence in the market.

While Fifth Third-NW's Community Development lending record has not been as extensive in the Northwest Assessment Area, the thirteen loans for \$5.6 million is considered adequately responsive to area credit needs. Nine loans were made to support affordable housing and rehabilitation initiatives; four loans supported local CDC and non-profit organizations' social service initiatives targeted to providing assistance to low- and moderate-income persons. Two loans were made in support of initiatives to help stabilize low- and moderate-income areas. Performance is considered adequate in this assessment area, although the number and dollar of loans is somewhat lower than that of the other commercial banks operating in the Toledo area, especially given Fifth Third-NW's relative presence in the market.

Community Development lending in the Central assessment area has not been extensive. One loan to support low- and moderate-income housing rehabilitation efforts was made in Findlay.

In addition to the \$19.4 million community development loans, Fifth Third-NW has also originated small business loans in each of the three assessment areas which have community development characteristics. Furthermore, the bank has provided letter of credit facilities in support of the Toledo Port Authority's economic development bonds. While not considered community development loans by definition, the characteristics of these loans and letters of credit reflect Fifth Third-NW's positive commitment to supporting community development initiatives.

Innovative and Flexible Lending Practices

Fifth Third-NW employs some flexible lending practices through offering its own loan products and through participating in state and local loan programs.

- o Fifth Third-NW's Good Neighbor residential loan program was created to promote home ownership opportunities for low- and moderate-income families. Home Purchase and Home Improvement products are offered and feature reduced loan fees and relaxed underwriting requirements. Offered in all assessment areas, the bank has not fully tracked the number and dollars of Good Neighbor loans generated. However, during the review of mortgage files we observed that these loans are being made.
- o Fifth Third-NW has actively participated in the State of Ohio Link Deposit program, especially in the Northeast Assessment Area. The program provides an injection of funds within the banking community specifically for creating lower-cost capital for Ohio businesses. The program represents flexible underwriting as it provides loans at interest rates that are lower than typically available to customers with similar risk profiles. Fifth Third-NW made thirty-one loans for \$7.8 million in 1996 and 1997.
- o The bank participates in various local loan programs targeted to specific community needs. While the number of loans generated through these programs is not routinely tracked and loan volumes do not appear to be extensive, the bank's willingness to participate in the programs reflects its responsiveness to community needs. Examples of loan programs in which loans have been made are:
 - City of Toledo Enterprise Development Loan program;
 - City of Toledo Neighborhood Economic Development Loan program;
 - City of Cleveland Storefront Renovation Program
 - Downtown Assistance Program (Cuyahoga County)
 - City of Akron Home Purchase Incentive Program
 - Enterprise Community Fund (Akron)

Lending Test Conclusion

Fifth Third-NW's lending activity levels, high degree of lending within the assessment areas, reasonable HMDA lending record to low- and moderate-income areas and individuals, and reasonable community development lending record demonstrate an overall satisfactory degree of responsiveness to addressing community credit needs. The bank's low HMDA loan penetration in the Northeast Assessment Area's low-income neighborhoods, its adequate record of lending to low-income individuals, relatively low levels of Community Development lending in the Northwest Assessment Area, and the lack of useable data to assess the bank's small business lending performance preclude a performance level rating higher than that of *Low Satisfactory*.

Investment Test

Fifth Third-NW has actively supported the community through direct investments and community development grant activities. Fifth Third Community Development Company (CDC), a non-bank subsidiary of the holding company, has also made qualified community development investments within the bank's assessment areas. Totaling \$4.1 million as summarized in Table 16, this level of investment activity represents 1.52% of the bank's Tier One Capital. Based on relative deposit size and Tier One Capital levels, Fifth Third-NW's investment levels have been somewhat lower than that of other area banks, especially in the Northwest Assessment Area. However, the investment activity reflects an adequate level of responsiveness to the credit and economic development needs of the community. Qualified community development grant activity from the 1996-1997 time period is reflected.

Table 16 Fifth Third-NW Qualified Community Development Investments			
	Northwest Assessment Area	Northeast Assessment Area	Central Assessment Area
Fifth Third-NW Direct Investments	\$ 0	\$1,000,000	\$ 0
Fifth Third CDC Investments	400,945	2,095,892	380,002
Fifth Third-NW Qualified Grants	111,264	69,800	41,650
Total	\$ 512,209	\$3,165,692	\$421,652

Source: bank records; Fifth Third CDC reports

Investment levels in the Northeast Assessment Area have been good, with the bank and Community Development Corporation actively committing to invest in projects on a continuous basis. Compared to other banks operating in the Toledo area, the dollar level of investments in the Northwest Assessment Area is low, and recent activity has been limited to providing grants to local organizations. While the investments are not considered innovative or complex in nature, Fifth Third-NW has affirmatively addressed the needs of each assessment area. The primary investments made by the bank and its affiliated CDC are as follows:

- o Fifth Third-NW has placed \$1 million in the form of a certificate of deposit in Shore Bank and Trust Company, a community development bank created in part to serve the neighborhoods located in the City of Cleveland's federal Empowerment Zone.
- o Since 1996, Fifth Third CDC has committed to participate in Local Initiative Support Corporation efforts through two \$500,000 participations in National Equity Fund projects in the Cleveland area. No funds have been advanced to date.
- o Fifth Third CDC made a \$500,000 commitment in 1996 to participate in Enterprise Foundation projects for the Cleveland area. No funds have been advanced to date.
- o Fifth Third CDC made a \$250,000 commitment in 1993 to Cleveland Housing Network Limited Partnership IX. The CDC has funded \$137,341 of this low-income housing tax credit project to date.
- o Fifth Third CDC made a \$345,892 commitment in 1994 to Nouvelle Espoir Arcade Development. \$81,250 of this low-income housing tax credit project has been funded.
- o Fifth Third CDC made a \$300,945 commitment in 1992 to support the Luther Woods Apartments project in Toledo. The CDC has funded \$153,415 of this low-income housing tax credit project to date.
- o Fifth Third CDC made a \$380,002 commitment in 1993 to support the Glenwood Village Limited Partnership project in Findlay. The CDC has funded \$154,903 of this low-income housing tax credit project to date.
- o Fifth Third-NW has provided grants to organizations whose primary purpose is community or economic development within low- or moderate-income areas. In addition, grants were provided to a number of organizations that provided social services targeted primarily toward low- and moderate-income persons. Examples of some of the organizations are: East Akron Neighborhood Development Corporation; Findlay City Mission; Fostoria Economic Development Corporation; Lagrange Development Corporation (Toledo); Local Initiatives Support Corporation; Neighborhood Housing Services (Toledo; Cleveland); Ohio City Near West Development Corporation; and Urban League (Akron, Cleveland, Toledo).

Service Test

Fifth Third-NW affirmatively supports the community through service-oriented activities. This conclusion is based on the following: 1) Banking offices are reasonably accessible to all portions of the assessment areas; 2) extended office hours and weekend banking is offered; and 3) community development service activity has been good.

Retail Banking Services

Fifth Third-NW's 106 banking offices are located throughout the assessment areas. Full service ATMs are located at nearly all offices and cash-dispensing ATMs are at various off-site locations. Table 17 summarizes the manner in which the branches and full service ATMs are distributed throughout the community.

Table 17 Distribution of Delivery Systems						
Assessment Area	Banking Centers		Full Service ATMs		Assessment Area Characteristics	
	Number	% of Area Total	Number	% of Area Total	Distribution of Tracts	Distribution of Families
Northwest Area						
Low Income tracts	3	10%	2	7%	12%	6%
Moderate Income tracts	4	13%	4	14%	22%	18%
Middle Income tracts	12	40%	12	43%	47%	51%
Upper Income tracts	11	37%	10	36%	18%	24%
Area Totals	30	100%	28	100%	99%*	100%
Northeast Area						
Low Income tracts	6	10%	6	10%	17%	9%
Moderate Income tracts	1	2%	1	2%	17%	15%
Middle Income tracts	36	58%	36	58%	40%	48%
Upper Income tracts	19	31%	19	31%	23%	28%
Area Totals	62	100%	62	100%	98%*	100%
Central Area						
Low Income tracts	N/A	N/A	N/A	N/A	0%	0%
Moderate Income tracts	1	7%	1	8%	5%	5%
Middle Income tracts	9	64%	7	58%	69%	66%
Upper Income tracts	4	29%	4	33%	25%	29%
Area Totals	14	100%	12	100%	100%	100%

Sources: Bank records; U.S. Census data

Notes: * Does not total to 100% as some tracts are unclassified.

Multiple ATMs at a single location are counted as a single unit

The percentage of offices located in low-income and moderate-income sections of the Northwest and Central Assessment Areas is generally consistent with the percentages of families residing in

those sections of the assessment areas. In the Northeast Assessment Area, the bank has only one office located in a moderate-income area, where 15% of the area's families reside. However, the way offices are currently distributed in the Northeast Assessment Area is not considered unreasonable given that the bank's branch structure is primarily the result of acquisition activities in 1995 and early 1996.

Branches serving the low- and moderate-income neighborhoods offer products and services in a manner consistent with branches in the other segments of the community, as Fifth Third products and services are available through all locations. Twenty-seven branches are located in grocery stores and are called "Bank Marts®." While these facilities have limited staffing, they provide access to all bank products and services. They feature extended lobby hours and provide for Saturday and Sunday banking. As relatively few grocery stores are located in low- and moderate-income neighborhoods, nearly all Bank Marts are located in middle-income and high-income neighborhoods. (One Bank Mart is located in a low-income part of Cleveland.) Regardless, they do provide increased banking accessibility to residents of the area, including those who are low- and moderate-income.

Banking hours are tailored to the needs of the surrounding area. In the Northwest Assessment Area, weekday hours are expanded past customary hours, with most offices (including those in low- and moderate-income areas) open from 9 a.m. until 6 p.m. Monday through Friday. Saturday hours are maintained at Bank Marts and some traditional branches. However, only one of the seven offices located in low- or moderate-income areas has Saturday hours where sixteen (including the six Bank Marts) of the twenty-three offices in middle- and upper-income areas maintain Saturday hours. Bank Marts maintain Sunday hours as well.

In the Northeast Assessment Area, weekday hours are also expanded past customary hours, with most offices (including those in low- and moderate-income areas) open from 9 a.m. to 5:30 p.m. Saturday hours are maintained at Bank Marts and some traditional branches, including those in low- and moderate-income areas. The nineteen Bank Marts maintain Sunday hours as well.

Banking offices in the Central Assessment Area maintain expanded office hours as most, including the one in a moderate-income area, are open from 9 a.m. until 6 p.m. Monday through Friday and also open on Saturday mornings. The two Bank Marts are open Sundays as well.

Branching activities since the last CRA evaluation have not had a significant impact on the community. No offices were opened and one office was closed by the Toledo banking unit during this period. The office closing occurred in January 1997 in the City of Oregon, a middle-income area in Lucas County. In the Northeast Assessment Area two offices were closed during the period. The Solon Banking Center serving an upper-income area moved to a newly constructed facility less than a mile away in May 1997. The Fairview Park Banking Center located in an upper-income census tract was moved to an adjacent upper-income tract. The Fairview Park Bank Mart remains open across the street from the closed location.

Alternative Delivery Systems

The bank's 102 full service ATMs are located at branch offices and provide opportunity for customers to conduct banking business twenty-four hours a day. Table 17 reflects how those ATMs are distributed within the community. Except for the moderate-income portions of the Northeast Assessment Area, the percentages of ATMs in low- and moderate-income areas is consistent with the percentages of the families residing in those areas. Several ATMs are bilingual to help serve the Spanish-speaking members of the Northeast Assessment Area.

A telephone banking service allows customers to access their accounts and apply for consumer loans and credit cards twenty-four hours a day. Also, a toll-free customer service number is available seven days a week. *Quick Source* is a twenty-four hour unstaffed banking center that provides an array of services and information. The Bancorp's internet web site allows customers to access account information and apply for consumer and credit card loans.

These services are actively offered and provided to the entire community, including low- and moderate-income areas and individuals. The characteristics of these services enhance the delivery of products to the market as a whole. As data demonstrating the extent that they are used by the low- and moderate-income segments of the community is not available, significant weight cannot be placed on these programs when drawing CRA performance conclusions. Nevertheless, the programs demonstrate Fifth Third-NW's commitment to using alternative ways to deliver products to the market.

Community Development Services

Fifth Third-NW has a good history of providing community development services and participating in community development initiatives in each of its assessment areas. At times, the bank takes on leadership roles with these activities. Examples of services provided are summarized below:

- o The bank sponsored and conducted Small Business Seminar workshops in the Toledo area in 1997.
- o Bank employees have provided financial services education through schools in various forms, including "in-school bank" programs, and making presentations to classes in the Northwest and Central Assessment Areas.
- o In the Northeast Assessment Area, the bank co-sponsored and participated in thirty-five seminars and workshops on various topics, including first time home buyer issues, business development, urban revitalization, credit enhancement, and small business loans.

- o Numerous bank employees throughout the assessment areas are actively involved in organizations whose primary purpose is to support economic development, or provide financial services to low- and moderate-income persons. In many cases the employees hold leadership roles in the organization. Several examples are:
 - Bowling Green Revolving Loan Fund Committee
 - City of Cleveland Micro Loan Committee
 - City of Toledo Economic Development Loan Review Committee.
 - East Akron Neighborhood Development Corporation
 - Findlay / Hancock County Housing Consortium
 - Greater Cleveland Growth Association
 - Greater Toledo Urban League
 - Habitat for Humanity
 - Lagrange Development Corporation (Toledo)
 - Lake County Economic Development Council
 - Local Initiative Support Corporation
 - Neighborhood Counseling Services
 - Urban League of Cleveland

- o Fifth Third-NW offers **Basic Banking**, a low-cost checking account with no minimum balance.

Fair Lending Review

Fifth Third-NW employs effective fair lending policies, procedures, training programs, and internal monitoring processes. We reviewed 1997 mortgage loan application activity from both the Toledo and Cleveland banking units. As part of our analyses, all denied Minority applications for Home Purchase loans were reviewed and compared to White applicants who had been granted credit. While some technical exceptions were detected, no violations of the substantive provisions of the antidiscrimination laws and regulations were identified, including the Equal Credit Opportunity Act, Fair Housing Act, or Home Mortgage Disclosure Act.

**Conclusions with Respect to Performance Tests in the Toledo, Ohio MSA
(MSA #8400 - Northwest Assessment Area)**

Fifth Third-NW's performance in the Toledo MSA is consistent with the bank's overall performance. The bank rating was assigned with substantial consideration given to the bank's performance in this area as a substantial portion of the bank's operations and community are represented by the Toledo MSA.

**Conclusions with Respect to Performance Tests in the
Cleveland-Akron, Ohio Consolidated MSA (MSAs #1680 and #0080)
(Northeast Assessment Area)**

Fifth Third-NW's performance in the Cleveland-Akron CMSA is consistent with the bank's overall performance. The bank rating was assigned with substantial consideration given to the bank's performance in this area as a substantial portion of the bank's operations and community are represented by the Cleveland-Akron CMSA.

APPENDIX

Scope of Evaluation

The evaluation assessed Fifth Third-NW's performance as outlined below:

- The Northwest and Northeast Assessment Areas were evaluated using on-site examination procedures. The Central Assessment Area was evaluated off-site.
- The period of review was August 26, 1996 (the date of the last examination) to date. Loan information from 1996 and 1997 was used for analytical purposes.
- Primary loan data considered consisted of HMDA-reported and community development loans. Small business and small farm lending data was not considered when drawing conclusions due to lack of data integrity.
- No affiliate lending performance was considered.
- Investments made by Fifth Third Community Development Company, an affiliate of Fifth Third-NW, were considered.
- Three banking offices were visited.