PUBLIC DISCLOSURE

April 7, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Chippewa Valley Bank
RSSD #90627
205 South Main Street
Rittman, Ohio 44270

Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, OH 44101-1387

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

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INSTITUTION’S CRA RATING

INSTITUTION'S CRA RATING: This institution is rated Outstanding.

The major factors and criteria contributing to this rating include:

- Reasonable loan-to-deposit ratio considering competition of lenders in the area and other lending-related activities;
- A substantial majority of loans and other lending-related activities are in the assessment area;
- More than reasonable geographic distribution of loans dispersed throughout the assessment area;
- More than reasonable penetration among individuals of different income levels;
- More than reasonable penetration among businesses and farms of different revenue sizes; and,
- There have been no complaints filed against the bank since the previous CRA examination.

DESCRIPTION OF INSTITUTION

Chippewa Valley Bank ("CVB") is a full-service retail bank serving all of Wayne County and portions of Medina, Summit, and Stark Counties. The bank's main office is located in the city of Rittman, which is in the northeastern portion of Wayne County. Rittman is not in a Metropolitan Statistical Area ("MSA"). The bank also operates with an additional seven offices: four in Medina County (Seville, Chippewa Lake, Wadsworth, and Westfield Center) and two in Wayne (an additional Rittman branch and Doylestown) and Stark (Canal Fulton) Counties. Each office provides access to automatic teller machines ("ATMs"). The bank also owns a stand-alone machine in Wadsworth.

CVB is a wholly-owned subsidiary of Wayne Bancorp, Inc., a $623.7 million bank holding company located in Wooster, a city of approximately 25,000 inhabitants in Wayne County. The holding company also owns The Wayne County National Bank of Wooster ("WCNB"). CVB had assets of $176 million as December 31, 2002, while the WCNB's assets reached $446.7 million. The holding company also owns MidOhio Data, Inc., which performs proof operations for both banks, while WCNB directly holds Chippewa Valley Title Agency, which offers title insurance services.

On April 15, 2003, CVB will relocate to the present Wadsworth location. Furthermore, an application has been filed for The Savings Bank and Trust Company, Orrville, Ohio, to merge into CVB. The merger date has yet to be firmly established.

The bank offers a variety of retail and commercial banking products and services, including consumer loans, residential mortgage loans, and commercial loans. For this evaluation, the bank's Home Mortgage Disclosure Act ("HMDA"), small business, small farm, and consumer loans were included.

The bank's loan portfolio comprises 53.93% of the institution's total assets. The remaining 46.07% of the bank's assets are Federal Funds Sold, Available for Sale securities, cash and due from banks, premises and fixed assets, and acceptances and other assets. The bank is primarily a retail lender, with real estate loans comprising 57.32% of the loan portfolio. Primary real estate products are loans secured by 1-4 family residences (39.21% of total loan mix) and commercial property (15.25%). Commercial and industrial loans make up a sizable amount of its loans, consisting of 30.31% of its loan mix. Other significant categories include agricultural (1.39%) and consumer (10.86%) loans.

A table illustrating the bank's loan distribution can be found in *Appendix A*. This table shows CVB's loan distribution by dollar amount and percent of loans as of December 31, 2002.

CVB's assessment area is located in a non-MSA in the State of Ohio and the Cleveland-Lorain-Elyria MSA 1680. The non-MSA includes all of Wayne County and one census tract in the northwestern portion of Stark County. The portions of Medina and Summit Counties included in the assessment area are located in the Cleveland-Lorain-Elyria MSA. Within the bank's overall lending assessment area, there are 4 moderate-income tracts, 44 medium-income tracts, and 19 high-income tracts. There are no low-income tracts within the bank's assessment area. The bank's major competitors include The Apple Creek Banking Company, The Commercial and Savings Bank of Millersburg, Ohio, The First-Knox National Bank of Mount Vernon, FirstMerit Bank, N.A., First National Bank (Orrville), Genfed Federal Credit Union (Akron), The Killbuck Savings Bank Company, Ohio Legacy Bank, N.A. (Wooster), Sky Bank, SBT, Unizan Bank, National Association (Canton), WCNB, Wayne Savings Community Bank (Wooster), and Westfield Bank, FSB (Westfield Center). The bank also competes with several regional and super-regional nationally chartered institutions.

Since the previous CRA examination, CVB closed a branch at 130 High Street, Wadsworth (Medina

County) and a location at 13840 Kauffman Avenue, Sterling (Wayne County). The bank also opened an office at 420 Beverly Avenue, Canal Fulton (Stark) and a branch at 9100 Center Street, Seville (Medina).

The following table presents several key financial ratios for the bank.

Key Financial Ratios As of December 31, 2002	
Return of Average Assets	**1.37%**
Net Loans & Leases to Average Assets	**56.28%**
Investments to Average Assets	**35.08%**
Total Deposits to Average Assets	**86.58%**
Net Loans & Leases to Total Deposits	**62.39%**
1-4 Family Residential Loans to Average Loans	**43.87%**
Consumer Loans to Average Loans	**10.76%**
Commercial Loans to Average Loans	**25.65%**
Agricultural Loans to Average Loans	**1.60%**

CVB has a Return on Average Assets ("ROAA") greater than peer as of December 31, 2002. Historically, the bank has maintained an ROAA above peer. Based on CVB's Net Loan and Leases to Total Deposit ("NLTD") ratio, the bank has demonstrated its ability to meet the credit needs of its assessment area by placing back into the communities it serves a majority of its deposits in the form of residential real estate, commercial, consumer, and agricultural loans. NLTD's ratio is both currently and has been below peer. CVB appears to investing a large amount of funds generated from deposits into available-for-sale securities, since the ratio of these securities to total deposits is 43.88%.

Based on CVB's asset size and financial condition, the bank appears to have the ability to meet the credit needs of its assessment area. There are no legal or other impediments that would hamper the bank's ability to meet the community's credit needs.

The previous CRA examination of March 2, 1998 resulted in a "Outstanding" performance rating.

SCOPE OF EXAMINATION

The data collected for this examination were from January 1, 2002 to December 31, 2002 and were reviewed to determine the geographic distribution of the bank's lending, as well as the distribution of loans to borrowers of different incomes and loans to businesses of different revenue sizes.

The analysis was conducted on HMDA reportable, consumer, small business, and small farm loans. HMDA reportable loans included home purchase, refinanced home, home improvement, and multi-family loans originated within the assessment area. Consumer loans consisted of home equity, motor vehicle, secured, and unsecured loans that were originated within the bank's assessment areas.

CVB has two assessment areas, one located in a non-MSA and one in the Cleveland-Lorain-Elyria MSA. The non-MSA includes all of Wayne County and one census tract in the northwestern portion of Stark County. The portions of Medina and Summit Counties included in the assessment area are located in the Cleveland-Lorain-Elyria MSA. A detailed analysis of each assessment area is contained in the assessment area description of this public evaluation.

This public evaluation looks at the bank's lending practices by both geographic and borrower distribution. For the purposes of this evaluation, consideration was given to the size of the institution, lending opportunities within the assessment area, and competition with other institutions.

This public evaluation also separately describes and evaluates the bank's performance within its two assessment areas. These areas will not receive separate ratings, however, since the CRA rating measures the bank's ability to meet overall lending criteria.

CONCLUSION WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

CVB's NLTD ratio is reasonable based on its size, financial condition, assessment area credit needs, and competition. The bank's NLTD ratio has decreased over the past eight quarters from 69.13% on March 31, 2001 to 62.39% on December 31, 2002, with an average of 66.68%. The NLTD for the peer group during the same time frame ranged from a low of 75.84% to a high of 77.64%, with an average of 76.87%.

CVB's peer group is banks with three or more banking offices located in a metropolitan area with assets between $100 and $300 million.

Loans Inside and Outside the Assessment Area

The following table illustrates that the percentage of loans made inside the bank's assessment areas was approximately 95%. This table depicts that a substantial majority of loans, as measured by the number of loans, were originated inside the bank's assessment area, while the table also indicates that a majority of loans, taken as a dollar amount, were made inside the bank's assessment area. This is considered more than satisfactory due to the location of the bank's branches, the bank's size, and competition throughout the assessment area.

Chippewa Valley Bank January 1, 2002 – December 31, 2002								
Loan Type	**Inside the Assessment Area**				**Outside the Assessment Area**			
	# of Loans	%	$ (000's)	%	# of Loans	%	$ (000's)	%
HMDA	69	95.8	7,351	95.8	3	4.2	322	4.2
Consumer	477	96.4	19,532	96.8	18	3.6	647	3.2
Small Business	69	98.6	10,726	99.5	1	1.4	50	0.5
Small Farm	20	90.0	1,247	97.0	2	9.1	38	3.0
Secured by Small Real Estate	26	86.7	4,248	92.2	4	13.3	359	7.8
Other Loan Data	36	81.8	10,042	50.8	8	18.2	9,729	49.2
Total	**697**	**95.1**	**53,146**	**82.7**	**36**	**4.9**	**11,145**	**17.3**

The table below illustrates the bank's HMDA lending volume in the assessment area broken out into more specific categories. These categories include home purchase loans, refinancing loans, home improvement loans, and multifamily loans. Refinanced loans comprised 73.9% of the HMDA lending volume by number of loans, and 72.9% of the dollar volume of loans within the bank's assessment area.

Post office box numbers were given for several loans, so a considerable number (71) of loans were unable to be geo-coded. This means that these loans could not be plotted into specific geographic areas. Therefore, the table below only depicts the loans inside the assessment area which were able to be geo-coded.

LENDING VOLUME State: Ohio Evaluation Period: January 1, 2002 – December 31, 2002									
Home Purchase		Refinancing Loans		Home Improvement Loans		Multifamily Loans		Total Home Loans	
#	$ (000's)	#	$ (000's)	#	$ (000's)	#	$ (000's)	#	$ (000's)
15	1,973	51	5,360	3	18	0	0	69	7,351
100.0%*	100.0%*	94.4%*	94.3%*	100.0%*	100.0%*	0%*	0%*	95.8%*	95.8%*

* % of loans made inside the assessment area

The table below illustrates the bank's consumer lending volume made in the bank's overall assessment area broken out into more specific categories. These categories include home equity, motor vehicle, secured, and unsecured loans. Home equity loans consisted of approximately 54.1% of the consumer lending volume by number of loans, followed by motor vehicles at 23.4%, unsecured at 13.6%, and secured at 8.9%. Home equity loans comprised approximately 92.2% of the total dollar volume of consumer loans, followed by motor vehicles at 4.8%, secured at 1.6%, and unsecured loans at 1.4% (for all loans).

LENDING VOLUME State: Ohio Evaluation Period: January 1, 2002 – December 31, 2002									
Home Equity Loans		Motor Vehicle Loans		Secured Consumer Loans		Unsecured Consumer Loans		Total Consumer Loans	
#	$ (000's)	#	$ (000's)	#	$ (000's)	#	$ (000's)	#	$ (000's)
258	18,014	112	946	42	312	65	260	477	19,532
97.4%*	96.8%*	97.4%*	97.9%*	87.5%*	91.8%*	97.0%*	98.5%*	96.4%*	96.8%*

* % of loans made inside the assessment area

Geographic Distribution

The geographic distribution of loans made within CVB's assessment area is considered more than reasonable. For this evaluation period, CVB originated 697 loans, or 95.1%, of its lending inside its assessment area. The bank's distribution of loans is reasonable when compared to the percentage of owner-occupied units within the moderate, middle, and upper-income geographies. In addition, when evaluating the percentage of loans originated in moderate-income geographies, the economic conditions of the area are also taken into consideration. There are no low-income geographies within CVB's assessment area.

The following table depicts the HMDA loans originated inside the bank's entire assessment area compared to the percentage of owner-occupied units. Although the bank generated only 2.9% of its HMDA loans in the moderate-income geographies, only 4.7% of all owner-occupied units are located in the moderate-income geographies. Furthermore, only 7.2% of the assessment area's population resides in these geographies. As a result, lending in the moderate-income geographies is considered more than reasonable. In addition, lending in the both the middle and upper-income geographies slightly surpassed the percentage of owner-occupied units. Based on the data used in this evaluation, HMDA loans are considered more than adequate.

Geographic Distribution:	Evaluation Period: January 1, 2002 - December 31, 2002										
	Total HMDA Loans		Lower-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		
	#	% of total	% of owner occ units	% Bank loans	% of owner occ units	% Bank loans	% of owner occ units	% Bank loans	% of owner occ units	% Bank loans	
Home Purchase	15	21.7	0	0	4.7	13.3	65.1	46.7	30.2	40.0	
Refinancing	51	73.9	0	0	4.7	0	65.1	70.6	30.2	29.4	
Home Improvement	3	4.4	0	0	4.7	0	65.1	100.0	30.2	0	
Multifamily	0	0	0	0	4.7	0	65.1	0	30.2	0	
TOTAL	**69**	**100.0**	**0**	**0**	**4.7**	**2.9**	**65.1**	**66.7**	**30.2**	**30.4**	

The following table depicts the geographic distribution of consumer lending inside the bank's assessment area compared to the percentage of households. Lending in the moderate-income area was significantly less than the percentage of households within the moderate-income geography, with the majority of lending in the middle-income geographies. CVB also made fewer loans in its upper-income geographies than the percentage of households who reside in these geographies. While the bank is succeeding in extending credit to middle-income geographies and is servicing its upper-income geographies, the distribution of lending to the moderate-income geographies is less than favorable. Therefore, based off the bank's lending and the competition in the area, the geographic distribution of consumer lending is considered adequate.

Geographic Distribution: Evaluation Period: January 1, 2002 – December 31, 2002										
Assessment Area:	Total Consumer Loans									
	Total Consumer Loans		Lower-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of total	% of Hhlds	% Bank loans	% of Hhlds	% Bank loans	% of Hhlds	% Bank loans	% of Hhlds	% Bank loans
Home Equity	258	50.3	0	0	7.4	0	64.8	77.5	27.8	22.5
Motor Vehicle	112	21.8	0	0	7.4	0	64.8	84.8	27.8	15.2
Other Secured	42	8.2	0	0	7.4	0	64.8	81.0	27.8	19.0
Other Unsecured	65	12.7	0	0	7.4	1.5	64.8	83.1	27.8	15.4
Other Loan Data	36	7.0	0	0	7.4	0	64.8	88.9	27.8	11.1
TOTAL	**513**	**100.0**	**0**	**0**	**7.4**	**0.2**	**64.8**	**80.9**	**27.8**	**18.9**

The bank originated 95 loans to small businesses (during the course of this evaluation, loans to small businesses are defined as those classified by the bank as small business loans and those identified as other small real-estate secured loans) during this review period. Of these loans, 1.1% were originated to businesses in moderate-income geographies, 81.1% were granted to businesses in middle-income geographies, and the remaining 17.8% were originated to businesses in upper-income geographies. No small business loans were originated in the low-income geographies. These lending numbers are considered adequate when compared to the percentage of small businesses within the moderate, middle, and upper-income geographies at 7.4%, 54.8%, and 37.8%, respectively.

The bank originated 20 loans to small farms during this review period. Of these loans 60.0% were originated in middle-income geographies and the remaining 40.0% were originated to farms in upper-income geographies. There were no loans originated to small farms in the low- and moderate-income geographies. These lending numbers are considered adequate when compared to the percentage of small businesses within the moderate, middle, and upper-income geographies at 4.7%, 70.3%, and 25.0%, respectively.

Borrower Distribution of Different Income and Revenue Size of Business or Farm

The borrower distribution of loans within the bank's overall assessment area is considered excellent. The following tables represent the bank's consumer, HMDA, small business, and small farm loans originated in the assessment area, respectively. Consumer loans are compared to the percentage of households in the assessment areas and HMDA loans are compared to the percentage of families.

Since consumer loans represented approximately 74% of the bank's lending for this evaluation period, more weight was placed on this type of lending than of any other loan product originated during the review period.

The following table depicts consumer loans reviewed for the borrower distribution portion of this evaluation. Of the 513 loans, approximately 44% (224) had no reported income; therefore, it was impossible to categorize the borrower's income. As a result, 289 loans were reviewed, making the analysis a truer picture of the bank's lending to borrowers of different income levels.

The bank's percentage of consumer loans to low-income borrowers was more than the percentage of low-income households in the assessment area. The bank made 22.8% of its consumer loans to low-income borrowers, as compared to 17.9% of low-income households in the assessment area.

The bank's percentage of total consumer loans to moderate-income borrowers was more than the percentage of moderate-income households in the assessment area. The bank made 21.1% of its consumer loans to moderate-income borrowers, as compared to 14.1% of moderate-income households in the assessment area. When consideration is given to the percentage of households living below the poverty level at 8.5% and those receiving public assistance at 5.7%, and the competition within the assessment area, the bank's level of consumer lending to low- and moderate-income borrowers is considered excellent.

In addition, the bank's percentage of consumer loans to middle- and upper-income borrowers was less than the percentage of households. As a result, consumer credit extended to borrowers of different income levels is a reasonable reflection of the demographic characteristics of individuals within the assessment area.

Borrower Distribution State: Ohio Evaluation Period: January 1, 2002 – December 31, 2002										
Total Consumer Loans			Borrower Distribution							
			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Hhlds	% BANK Loans	% of Hhlds	% BANK Loans	% of Hhlds	% BANK Loans	% of Hhlds	% BANK Loans
Home Equity	115	39.9	18.0	3.5	14.1	21.7	20.0	27.0	47.9	47.8
Motor Vehicle	88	30.4	18.0	35.2	14.1	37.5	20.0	19.3	47.9	8.0
Other Secured	37	12.8	18.0	40.6	14.1	10.8	20.0	24.3	47.9	24.3
Other Unsecured	49	16.9	18.0	32.7	14.1	40.8	20.0	20.4	47.9	6.1
TOTAL	**289**	**100.0**	18.0	22.8	14.1	28.4	20.0	23.2	47.9	25.6

The following table illustrates the borrower distribution of HMDA loans originated during this review period. Of 69 loans, approximately 7% (5 loans) had no reported income; therefore, it was impossible to categorize the borrowers into income levels.

The following table depicts the distribution of HMDA loans to low, moderate, middle, and upper-income borrowers. The percentage of HMDA loans to low- and moderate-income borrowers was more than reasonable. Although the lending to low-income borrowers is lower than the percentage of families, it is reasonable to expect that these borrowers will have difficulty in obtaining mortgage loans, because this type of lending requires higher income levels to qualify. In addition, 6.7% of families in the assessment area are below poverty level, making it difficult from them to qualify for real secured loans. Therefore, credit extended to borrowers of different income levels for HMDA loans is more than adequate.

Borrower Distribution State: Ohio Evaluation Period: January 1, 2002 – December 31, 2002										
Total HMDA Loans			Borrower Distribution							
			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of families	% BANK Loans	% of families	% BANK Loans	% of families	% BANK Loans	% of families	% BANK Loans
Home Purchase	15	21.7	14.6	6.7	16.5	26.7	24.3	13.3	44.6	33.3
Home Improvement	3	4.4	14.6	100.0	16.5	0	24.3	0	44.6	0
Refinance	51	73.9	14.6	0	16.5	21.6	24.3	21.6	44.6	52.9
TOTAL	**69**	**100.0**	14.6	5.8	16.5	21.7	24.3	18.9	44.6	46.4

* 7.2% of the bank's HMDA loans had no reported income

The table below represents the loans reviewed for borrower distribution of loans to small businesses. Of 95 loans, 1 had no reported revenue; therefore, it was impossible to classify this loan into a revenue category. As a result, 94 loans were reviewed, making the analysis a truer picture of the bank's lending to businesses of different revenue levels.

As depicted in the following table, the percentage of loans to businesses within the assessment area with revenues of $1 million or less at 100% exceeded the percentage of businesses with revenues of $1 million or less at 78.0%. It should be noted that, regardless of business size, 67.4% of the business loans made were for $100,000 or less. These figures show that the bank has been responsive to the credit needs of small businesses within its assessment area.

Borrower Distribution Small Loans to Businesses Evaluation Period: January 1, 2002 - December 31, 2002

Total Small Loans To Businesses		Businesses with Revenues of $1 million or less		Loans by Original Amount Regardless of Business Size		
#	% of Total*	% of Businesses**	% BANK Loans***	$100,000 or Less	>$100,000 to $250,000	>$250,000 to $1,000,000
95	100.0	78.0	100.0	64	21	9

(*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.
(**) Businesses with revenues of $1 million or less as a percentage of all businesses. PCI Services, Inc. 2000
(***) Small loans to businesses with revenues of $1 million or less as a percentage of all loans reported as small loans to businesses.

Of the 20 small farm loans, all had reported revenue. Thus, all reported loans were reviewed during this evaluation.

The table below depicts the percentage of loans to farms within the assessment area with revenues of $1 million or less at 100%. All loans originated by the bank for this review period were made to farms with revenues of $1 million or less. In addition, it is significant to note that 80.0% of the small farm loans were for loan amounts less than $100,000. This shows that the bank has been responsive to the credit needs of small farms within its assessment area.

Borrower Distribution: SMALL LOANS TO FARMS Evaluation Period: January 1, 2002 – December 31, 2002						
Total Small Farm Loans		Farms with Revenues of $1 million or less		Loans by Original Amount Regardless of Farm Size		
#	% of Total*	% of Farms**	% BANK Loans***	$100,000 or Less	>$100,000 to $250,000	>$250,000 to $500,000
20	100.0	93.1	100.0	16	3	1

(*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.
(**) Farms with revenues of $1 million or less as a percentage of all farms. PCI Services, Inc. 2000
(***) Small loans to farms with revenues of $1 million or less as a percentage of all loans reported as small loans to farms.

NONMETROPOLITAN STATISITICAL AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA – State of Ohio

The non-metropolitan statistical area is located in the northeastern portion of the State of Ohio. This assessment area includes Wayne County in its entirety and the extreme northwestern portion of Stark County. There are 1 moderate, 24 middle, and 8 upper-income tracts in this assessment area. There are no low-income tracts.

The bank's main office and two branches are located in Wayne County, while one office is in Stark County. Four branches are located in Medina County, which is part of the Cleveland-Lorain-Elyria MSA. The other assessment area will be discussed in detail later in this evaluation.

Wayne County's seat is located in Wooster, a city of approximately 25,000 inhabitants. The county is primarily a farming area, and leads the state in the production of oats, hay, cattle, and dairy research. The Ohio Agricultural Research and Development Center is headquartered here.[1]

Employment in Stark County is evenly divided among retail and wholesale trade, manufacturing, and services. Canton, the county seat, is home to the Professional Football Hall of Fame. Two halls honor past football greats. In addition, Canton is the birthplace of the Hoover vacuum cleaner. In 1907, Murray Spangler, an inventor who worked as janitor developed the machine to fight the dust from his broom that was aggravating his asthma.[2]

The largest employers in Wayne County include Bosch Rexroth Corp, the College of Wooster, J.M. Smucker Company, Luk Inc., Newell Rubbermaid, Transportation Technologies, Inc., The Wooster Brush Company, Wooster City Board of Education, Wooster Community Hospital, and Worthington Industries Inc. Some of the major employers in Stark County are Alliance Community Hospital, Aultman Hospital, Canton City Schools Board of Education, Diebold, Incorporated, The Hoover Company, Mercy Medical Center, and The Timken Company.[3]

According to the FDIC/OTS[4] report dated June 30, 2002, CVB's market share of deposits within Wayne County was 5.57%. This figure ranks CVB 7th out of 16 institutions within the county. The bank's competitors include both small community companies and large regional institutions. Some of these competitors include the WCNB, the Savings Bank and Trust, FirstMerit Bank, N.A., Wayne Savings Community Bank, First National Bank (Orrville), and Bank One, National Association.

The FDIC/OTS report indicates that CVB's market share of deposits in Stark County is 0.21%, ranking it 20th out of 20 banks in the county. Some of the bank's competitors include Unizan Bank, National Association, Consumers National Bank (Minerva), First National Bank (Orrville), The Bank of Magnolia Company, Ohio Legacy Bank, N.A., Wayne Savings Community Bank, Village Savings Bank F.S.B. (North Canton), SBT, The Citizens Savings Bank (Martins Ferry), The Second National Bank of Warren, WCNB, and The Apple Creek Banking Company. The bank also competes with several regional and super-regional institutions in this county.

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1 Ohio Department of Development – Office of Strategic Research
2 Ibid.
3 Ibid.
4 FDIC/OTS Summary of Deposits website:www.fdic.gov

PERFORMANCE CONTEXT

Demographic Characteristics

The population of Wayne County as of the 1990 census was 101,461. The population of the Stark County portion of this assessment area was 12,047, which is 3.2% of the county's population as a whole. *Table 1* illustrates the demographic and economic characteristics of this assessment area.

Income Characteristics

The 1990 median family income for the Wayne County was $33,254, which was lower than that of the entire state of Ohio at $34,351. Median income for the Stark County portion of the assessment area, on the other hand, was $38,225, higher than that of Ohio.

In Wayne County, families comprised 76.0% of the total households. Families living below the poverty level constituted 8.4% of that figure. Of the families residing in the county, 14.4% were low-income, 17.2% were moderate-income, 25.9% were middle-income, and 42.5% were upper-income.

Families made up 82.7% of total households in the Stark County piece of the assessment area. 5.2% of these families lived below the poverty level. Furthermore, 12.1% of these families were low-income, 13.2% were moderate-income, 25.5% were middle-income, and 48.2% were upper-income.

Housing Characteristics

As of 1990, there were 37,036 housing units in Wayne County, of which 82.5% were one-to-four family units, 6.2% were five or more family units, 10.4% were mobile homes, and less than one percent were other units. Of the housing units in the county, 68.4% were owner-occupied. The median age of the housing stock in the county was 27 years old, which was much younger when compared to median age of State of Ohio's housing stock at 38 years.

In the Stark County portion of the assessment area there were 4,184 housing units in 1990, of which 92.9% were one-to-four family units, 3.4% were five or more family units, 3.5% were mobile homes, and the remaining 0.2% were other units, including those boarded up. 75.5% of the housing units were owner-occupied. The median age of the housing stock in this census tract was 19 years old, which was much younger than that of Stark County at 37 and the State of Oho at 38.

Labor, Employment and Economic Characteristics

According to the Ohio Department of Job and Family Services,[5] the unemployment rate in Wayne County and the Stark County for January 2003 was 5.4% and 6.9%, respectively. The Wayne County rate was comparable to the both State of Ohio at 5.6% and the national rate at 5.7% for the same time frame. On the other hand, the Stark County rate was higher than the monthly state and national figure.

5 Ohio Department of Job and Family Services in cooperation with U.S. Dept. of Labor

Table 1

Demographics - Chippewa Valley Bank Non-MSA in State of Ohio Wayne and Stark Counties								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0	0	0	0	0	4,349	14.3
Moderate-income	1	3.0	1,164	3.8	275	23.6	5,107	16.8
Middle-income	24	72.7	23,322	76.7	1,985	8.5	7,855	25.8
Upper-income	8	24.3	5,930	19.5	193	3.3	13,105	43.1
Total Assessment Area	**33**	**100.0**	**30,416**	**100.0**	**2,453**	**8.1**	**30,416**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
		#	**%**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0	0	0	0	0	0	0
Moderate-income	1360	1,046	3.7	76.9	277	20.4	37	2.7
Middle-income	31,971	21,689	76.1	67.8	9,055	28.3	1,227	3.9
Upper-income	7,889	5,773	20.2	73.2	1,836	23.3	280	3.5
Total Assessment Area	**41,220**	**28,508**	**100.0**	**69.2**	**11,168**	**27.1**	**1,544**	**3.7**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0	0	0	0	0	0	0
Moderate-income	218	3.1	159	3.5	20	5.0	39	4.2
Middle-income	4,413	63.7	3,445	75.8	293	73.1	675	73.3
Upper-income	1,236	17.5	941	20.7	88	21.9	207	22.5
Tract not reported	N/A	15.7	N/A	N/A	N/A	N/A	N/A	N/A
Total Assessment Area	**5,867**	**100.0**	**4,545**	**100.0**	**401**	**100.0**	**921**	**100.0**
	Percentage of Total Businesses:		**77.5%**		**6.8%**		**15.7**	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA in the State of Ohio – Wayne and Stark Counties

Geographic Distribution

The geographic distribution of loans made within this assessment area is adequate. As mentioned previously, the bank has no low-income geographies and only one moderate-income tract within this assessment area. In addition, the bank has 24 middle-income tracts and 8 upper-income tracts. Therefore, the emphasis on this assessment area is based on borrower distribution.

The bank originated all its HMDA loans in the middle income tracts of this assessment area; therefore, it is not necessary to discuss the geographic distribution of HMDA loans in this area because all home lending was concentrated in the middle-income tracts.

CVB did not originate any consumer loans to borrowers in the one moderate-income tract in this assessment area. Distribution of consumer loans in the middle-income tracts, at 84.1%, surpassed the percentage of both owner-occupied units (76.1%) and households (76.7%) while the distribution of consumer loans in upper-income tracts at 15.9% was slightly lower than the percentage of owner-occupied units (20.2%) and households (19.5%) in these tracts.

The bank did not originate any small business loans in the one moderate-income tract contained in this assessment area during the evaluation period. CVB's penetration of small business loans in the middle-income tracts at 81.6% was greater than the overall percentage of small businesses in these geographies at 63.7%. Furthermore, the distribution of small business loans in the upper-income tracts at 18.4% also surpassed than percentage of small businesses at 17.5%.

The bank also originated small farm loans in the middle and upper income tracts of this assessment area, but none in the moderate-income tract. The bank's penetration of small farm loans in the middle-income tracts at 33.3% was less than the percentage of small farms at 75.9% while the distribution of small farm loans in the upper-income tracts at 66.7% exceeded the overall number of farms at 19.0%.

Due to the financial competition within this assessment area, the bank's overall geographic distribution of small business and small farm lending is more than reasonable

Distribution by Borrower Income and Revenue Size of Business or Farm

The bank made HMDA loans in the moderate and upper income borrowers in this assessment area during the evaluation period. No loans were made to middle-income borrowers. Lending to moderate-income borrowers, at 28.6%, exceeded the percentage moderate-income families at 14.3% while lending to upper-income borrowers, at 71.4%, also surpassed the percentage of high-income families at 43.1%. Therefore, the distribution of HMDA loans is excellent.

During this evaluation period, 143, or 46.3%, of consumer loans originated in this assessment area had no reported income. Therefore, only 166 of the loans were reviewed for borrower distribution. As a result, the analysis of consumer loans using the 166 loans is a truer picture of the bank's lending to borrowers of different income levels within this assessment area.

The distribution of consumer loans is excellent. The bank's lending to low-income borrowers at 23.5% exceeded the percentage of low-income families at 14.3%. Furthermore, CVB's lending to moderate-income borrowers was also higher at 26.5% than the percentage of moderate-income families in the assessment area at 16.8%. The bank's lending to middle-income borrowers at 22.9% was lower than the percentage of middle-income families at 25.8%, while lending to upper-income borrowers at 27.1% was also less than the percentage of upper-income families at 43.1%.

Borrower distribution of loans to businesses of different sizes is considered excellent. During this evaluation period, 78.2% of all businesses within the assessment were small businesses with revenues of $1 million or less. The bank made 100% of all its business loans to small companies.

The bank's lending to farms of different revenue sizes is also excellent. Small farms with revenues of $1 million or less comprise 92.2% of all farms in the assessment area. The bank originated all of its farm loans to small farms during this assessment period.

METROPOLITAN ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN Cleveland-Lorain-Elyria CMSA 1680 in the State of Ohio

The MSA is located in the northeastern part of the State of Ohio. This assessment area consists of 21 tracts in Medina County and 13 census tracts in Summit County. This assessment area is comprised of 3 moderate, 20 middle, and 11 upper-income tracts. There are no low-income tracts.

CVB has four offices in this assessment area, all located in Medina County. There is also a cash-only ATM machine in this assessment area.

Medina County is situated directly south of Cuyahoga County. Although the county still relies on manufacturing for employment, the number of persons employed in the wholesale and retail trade and service industry has grown significantly since 1995.[6] The county is known nationwide for its annual "Buzzard Day." Every year on March 15, turkey buzzards return to their summer home at Whipp's Lodges near Hinckley.

Akron, the seat of Summit County, was once known as the "Rubber Capital of the World." The city is now home to the University of Akron's renowned Institute of Polymer Science.[7]

Some of the major employers in Medina County include Brunswick City Board of Education, Cloverleaf Local Board of Education, Medina City Board of Education, Medina County Government, Medina General Hospital, MTD Products, Plastipak Packaging Inc, Wadsworth City Board of Education, and Westfield Group. Major employers in Summit County were Akron City Board of Education, Akron General Health System, Allstate Insurance, Children's Hospital Medical Center of Akron, City of Akron, FirstEnergy Corp., The Goodyear Tire & Rubber Company, Babcock & Wilcox, Roadway Express, Summa Health System, Summit County Government, and University of Akron.

According to the FDIC/OTS[8] report dated June 30, 2002, CVB's market share of deposits within the Cleveland-Lorain-Elyria MSA is 0.10%. This ranks CVB 33rd out of 50 banks in the MSA. However, the bank's market share increases to 3.11% when the area is limited to Medina County. This percentage ranks CVB 11th out of 20 banks in the county. Some of the bank's major competitors include, FirstMerit Bank, N.A., Third Federal Savings and Loan Association of Cleveland, National City Bank, The Farmers Savings Bank (Spencer), Fifth Third Bank, Huntington National Bank, Bank One, National Association, U.S. Bank National Association, Western Reserve Bank (Medina), and Westfield Bank, FSB.

6 Ohio dept. of development – office of strategic research
7 Ohio dept. of development – office of strategic research
8 FDIC/OTS Summary of Deposits website:www.fdic.gov

PERFORMANCE CONTEXT

Demographic Characteristics

The population of this assessment area as of the 1990 census was 152,678, which was 24.0% of the population of the eight counties in the assessment area. *Table 2* illustrates the demographic and economic characteristics of the assessment area.

Income Characteristics

The 1990 median family income for the assessment area was $42,015, which was both higher than that of the figure for the Summit County at $35,060 and the Medina County at $41,937. The assessment's area median income was also significantly larger than that of Ohio at $34,351.

Families comprised 78.1% of the total households in the assessment area. Families living below the poverty level constituted 5.7% of that figure. Of the families residing in the assessment area, 14.9% were low-income families, 16.3% were moderate-income families, 23.2% were middle-income families, and 45.6% were upper-income families.

Housing Characteristics

As of 1990, there were 57,682 housing units in this assessment area, of which 89.2% were one-to-four family units, 8.3% were five or more family units, 1.6% were mobile homes, and the remaining 0.9% was other units, including boarded-up units. Of the housing units in the assessment area, 74.0% were owner-occupied. The median age of the housing stock in the assessment area was 27 years old, which was younger than the Summit County at 36 and the Medina County at 29. Furthermore, the median age of the housing stock in the assessment area was newer than that of Ohio at 38 years.

Labor, Employment and Economic Characteristics

According to the Ohio Department of Job and Family Services,[9] the average unemployment rate in Medina and Summit Counties as of January 2003 was 6.1% and 6.0%, respectively. These figures were both higher than the Ohio rate at 5.6% and the nationwide rate at 5.7%.

9 Ohio Department of Job and Family Services in cooperation w/U.S. Dept. of Labor

Table 2

Demographics – Chippewa Valley Bank Cleveland-Lorain-Elyria MSA 1680 in the State of Ohio								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0	0	0	0	0	6,468	14.9
Moderate-income	3	8.8	3,523	8.1	913	25.9	7,052	16.3
Middle-income	20	58.8	24,325	56.1	1,365	5.6	10,068	23.2
Upper-income	11	32.4	15,545	35.8	217	1.4	19,805	45.6
Total Assessment Area	**34**	**100.0**	**43,393**	**100.0**	**2,495**	**5.7**	**43,393**	**100.0**

	Housing Units by Tract	**Housing Types by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
		#	**%**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0	0	0	0	0	0	0
Moderate-income	5,992	2,264	5.3	37.8	3,305	55.1	423	7.1
Middle-income	32,148	24,650	57.8	76.7	6,160	19.2	1,338	4.2
Upper-income	19,542	15,750	36.9	80.6	3,147	16.1	645	3.3
Total Assessment Area	**57,682**	**42,664**	**100.0**	**74.0**	**12,612**	**21.8**	**2,406**	**4.2**

	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0	0	0	0	0	0	0
Moderate-income	987	8.2	784	9.6	70	9.5	133	8.7
Middle-income	4,480	36.7	3,516	43.1	311	42.3	653	42.7
Upper-income	4,952	40.4	3,854	47.3	354	48.2	744	48.6
Tract not reported	N/A	14.7	N/A	N/A	N/A	N/A	N/A	N/A
Total Assessment Area	**10,419**	**100.0**	**8,154**	**100.0**	**735**	**100.0**	**1530**	**100.0**
	Percentage of Total Businesses:		**78.3**		**7.0**		**14.7**	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Cleveland-Lorain-Elyria MSA 1680 in the State of Ohio

Geographic Distribution

The geographic distribution of loans made within this assessment area is good. As previously stated, the bank has no low-income geographies and only three moderate-income tracts within this assessment area. In addition, there are 20 middle-income tracts and 11 upper-income tracts; therefore, borrower distribution will be emphasized when reviewing this assessment area.

The bank's HMDA loan distribution in this assessment area at 3.2%, 62.9%, and 33.9% for the moderate, middle, and upper-income tracts, respectively, was similar to both the percentage of owner-occupied units at 5.3%, 57.8%, and 36.9% and the percentage of households at 8.1%, 56.1%, and 35.8%.

CVB's distribution of consumer loans in middle-income tracts (76.0%) surpassed the percentage of both owner-occupied units and households. On the other hand, the penetration of consumer loans within the moderate (0.5%) and upper (23.5%) income tracks was lower than the overall percentage of owner-occupied units and households in these geographies.

In both the moderate and upper-income tracts, the bank's distribution of small business loans was less at 1.8% and 17.5%, respectively, than the percentage of small businesses in the moderate and upper-income geographies at 9.6% and 47.3%. Small business lending in middle-income tracts at 80.7% surpassed the overall percentage at 43.1%.

The bank originated all of its small farm loans in this assessment area in the middle-income tracts.

Due to the financial competition within this assessment area, the bank's overall geographic distribution of small business and small farm lending is reasonable

Distribution by Borrower Income and Revenue Size of Business or Farm

The percentage of HMDA loans to low and moderate-income borrowers is more than reasonable. Although the lending to low-income borrowers (6.5%) was lower than the percentage of families (14.9%), it is reasonable to expect this amount of lending, because this type of credit extension, by its nature, often requires higher income levels to qualify. In addition, 5.7% of families in the assessment area were below poverty. Thus, it is difficult for borrowers at poverty level to qualify for real estate secured loans. Moderate-income families comprise 16.3% of all families in the assessment area, while the bank originated 21.0% of its loans in this sector. Loans to the middle-income borrowers at 21.0% was comparable to the percentage of families at 23.2%, while loans to upper-income borrowers at 43.5% were also similar to the percentage of families at 45.6%. The remaining 8.0% of the HMDA loans had no reported income.

During this evaluation period 81 or 39.7% of loans originated in this assessment area had no reported income. Thus, only 123 consumer loans were reviewed for borrower distribution in order to form a truer picture of the bank's lending to borrowers of different income levels within the assessment area.

The distribution of consumer loans was excellent. The bank's lending to low-income borrowers at 22.0% exceeded the percentage of low-income families. In addition, CVB's lending to moderate-income borrowers was also higher at 31.0% than the percentage of moderate-income families in the assessment area. The bank's lending to medium-income borrowers at 23.5% was comparable than the overall percentage of medium-income families while lending to upper-income borrowers at 23.5% was lower than the percentage of upper-income families.

Borrower distribution of loans to businesses of different revenues is considered more than reasonable. Small businesses with revenues of $1 million or less make up 78.3% of all business in the assessment area. CVB originated 97.6% of its business loans to small businesses during the evaluation period.

The bank's lending to farms of different revenue sizes is considered to be excellent. Of the total farms within this assessment area, 78.3% are small farms with revenues of $1 million or less. CVB made all of its farm loans to small farms during the assessment period.

APPENDIX A
TABLES

Loan Distribution as of December 31, 2002		
Loan Type	***Dollar Amount (000s)***	***Percent of Total Loans (%)***
Construction and Land Development	285	0.30
Secured by Farmland	1,781	1.85
1-4 Family Residential	37,820	39.21
Multi-Family (5 or more) Residential	690	0.72
Commercial	14,713	15.25
Total Real Estate Loans	**55,289**	57.32
Commercial and Industrial	29,243	30.31
Agricultural	1,343	1.39
Consumer	10,478	10.86
Other (Includes Municipal Loans)	112	0.12
Less: Unearned Income	0	0.00
Total Loans	**96,465**	100.00

APPENDIX B
CRA GLOSSARY

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

Block numbering area ("BNA"): Statistical subdivisions of a county for grouping and numbering blocks in nonmetropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and 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 for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals, activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies,

Consumer loan: A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

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 household 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, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography: A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act ("HMDA"): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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.

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.

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, branch distribution).

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 lenders in the MSA/assessment area.

Metropolitan area: Any primary metropolitan statistical area ("PMSA"), metropolitan statistical area ("MSA"), or consolidated metropolitan area ("CMSA"), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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.

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

Optional loans: Includes any unreported category of loans for which the institution collects and maintains data for consideration during a CRA examination. Also includes 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.

Small loans to business: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: 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 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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.

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

APPENDIX C
ASSESSMENT AREA MAPS

Chippewa Valley Bank

Assessment Area with Branch/ATM Locations