



PUBLIC DISCLOSURE

July 20, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Resolute Bank
Charter Number 718042

3425 Briarfield Blvd, Suite 100
Maumee, OH 43537

Office of the Comptroller of the Currency

200 Public Square Suite 1610
Cleveland, OH 44114-2301

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

INSTITUTION'S CRA RATING: This institution is rated Satisfactory

The major factors supporting the institution's rating are:

- The loan-to-deposit ratio is reasonable and meets the standards for satisfactory performance.
- A substantial majority of the lending activity occurred inside the assessment area and exceeds the standard for satisfactory performance
- The distribution of business loans to businesses of different sizes reflects excellent distribution and exceeds the standard for satisfactory performance.
- The distribution of business loans reflects a satisfactory distribution in low- and moderate-income geographies and meets the standard for satisfactory performance.
- There were no complaints regarding the bank's performance in meeting the credit needs of its AA.

SCOPE OF EXAMINATION

We evaluated Resolute Bank's performance relative to the Community Reinvestment Act (CRA) using full-scope Small Bank procedures.

Resolute Bank has a single assessment area (AA) for CRA evaluation purposes. See **Description of Assessment Area** for additional details.

Resolute Bank's primary loan product for this evaluation is small loans to businesses, which is representative of its business strategy and lending focus prior to 2015. We evaluated Resolute Bank's record of originating small loans to businesses during the review period of January 1, 2012 through December 31, 2014. Since there were changes in the demographics of the bank's AA in 2014, we analyzed Resolute Bank's 2014 lending performance separately from 2012 and 2013. Due to larger loan volumes 2014 carries more weight in our overall conclusions.

Resolute Bank is not required to report or maintain business lending data. Therefore, we relied on information obtained from business loan files to assess the bank's lending performance.

We also considered information derived from members of the community through contacts with local organizations, other institution's performance evaluations, and bank management in our analysis. We contacted one organization involved in affordable housing and economic development initiatives to determine the community's credit needs. See **Description of Assessment Area** for additional details.

DESCRIPTION OF INSTITUTION

Resolute Bank is a full service thrift headquartered in Maumee, Ohio that services Lucas and the northeast corner of Wood County. As of December 31, 2014, the bank reported total assets of \$33 million. 92.33 percent of the bank is owned by Princeton Capital and 7.67 percent is owned by local investors. Princeton Capital purchased their 92.33 percent stake in late 2013 from Capitol Bancorp (CBC). The bank also changed their name from Bank of Maumee to Resolute Bank in 2015.

As of December 31, 2014, the bank's loan portfolio was comprised of real estate loans (54 percent), commercial loans (39 percent), consumer loans (4 percent) and all other loans (3 percent). The bank's loan portfolio totaled \$21 million or 63 percent of total assets. The bank's Tier One Leverage and Total Risk-Based Capital Ratios were 9.84 percent and 16.46 percent, respectively.

Resolute Bank operates a single office within its AA. This full-service branch does not offer a drive-through or automated teller machine service. Resolute Bank offers traditional banking products and services. The bank did not open or close any branch offices during the evaluation period.

DESCRIPTION OF ASSESSMENT AREA

Resolute Bank's AA is comprised of 136 census tracts (CT) in Lucas and the northeast corner of Wood County. Lucas and Wood Counties are within the Toledo, OH Metropolitan Statistical Area (MSA). This AA is consistent with the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. In 2013 the AA had 27 low income census tracts, 30 moderate, 51 middle, and 28 upper income tracts. These figures changed from 2014 figures which had 27 low income census tracts, 28 moderate, 52 middle, and 29 upper income tracts.

There are 19 financial institutions operating 153 offices within the AA according to a June 30, 2014 Federal Deposit Insurance Corporation (FDIC) deposit market share report. These include community banks, regional and national companies. Resolute Bank ranked sixteenth, with approximately 0.33 percent of market share. Competition in this AA is strong.

Based on 2014 Lucas and Wood County Profiles, the composition of businesses in this AA support primarily retail trade, transportation and utilities, education and health care, professional and businesses services and local government. Major employers in the area include Chrysler Group LLC, ProMedica Health Systems, Mercy Health Partners, University of Toledo, Bowling Green State University, and the Lucas County government.

According to the Bureau of Labor Statistics, the 2013 annual unemployment rate was 8.7 percent for Lucas County, well above the State of Ohio annual unemployment rate of 7.5 percent. The 2014 figures for Lucas County show improvement with a 6.3

percent unemployment rate, however it is still below the state of Ohio’s annual unemployment rate of 5.7. In contrast, the 2013 annual unemployment rate in Wood County was 7.0 percent, comparable to the State of Ohio annual unemployment rate of 7.4 percent. That number has also shown improvement with 2014 figures at 5.2 percent and is below state unemployment numbers during that time period.

We determined the AA credit needs by contacting representatives from affordable housing and economic development organizations, reviews of other institution’s public evaluations, and discussions with bank management. Needs of the community include loans to low- and moderate- income borrowers, homeownership counselors to first-time home buyers, and funding to affordable housing organizations for construction financing and emergency repairs.

Demographic Information for Full Scope Area: Resolute Bank - Toledo OH MSA 2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	136	19.85	22.06	37.50	20.59	0.00
Population by Geography	485,310	11.85	19.68	41.47	27.00	0.00
Owner-Occupied Housing by Geography	129,679	7.27	16.55	44.58	31.60	0.00
Business by Geography	34,767	8.25	16.72	41.77	33.26	0.00
Farms by Geography	852	3.17	11.38	48.83	36.62	0.00
Family Distribution by Income Level	122,626	23.85	17.56	20.24	38.35	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	50,783	21.51	26.95	37.92	13.62	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		59,003 57,100 17%	Median Housing Value Unemployment Rate (2010 US Census)	123,013 6.07%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2013 FFIEC updated MFI

Demographic Information for Full Scope Area: Resolute Bank - Toledo OH MSA 2014						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	136	19.85	20.59	38.24	21.32	0.00

Population by Geography	485,310	11.85	18.87	41.58	27.69	0.00
Owner-Occupied Housing by Geography	129,679	7.27	15.67	44.67	32.39	0.00
Business by Geography	29,625	7.93	15.91	41.72	34.44	0.00
Farms by Geography	745	3.62	8.32	45.64	42.42	0.00
Family Distribution by Income Level	122,626	23.49	17.35	20.05	39.11	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	50,082	21.69	26.16	38.05	14.10	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level	58,200 60,800 17%	Median Housing Value Unemployment Rate (2010 US Census)	123,013 6.07%			

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2014 FFIEC updated MFI

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Resolute Bank’s lending test performance is satisfactory.

LENDING TEST

Resolute Bank’s lending performance is Satisfactory. Our conclusion is based on a sample of small loans to businesses originated within the AA during the evaluation period. The bank originated a substantial majority of its loans within the AA, and the bank’s loan-to-deposit ratio is reasonable. The bank’s distribution of loans to businesses of different size reflects excellent distribution within the AA. Similarly, the geographic distribution of business loans reflects reasonable distribution in low- and moderate-income geographies.

Loan-to-Deposit Ratio

The bank’s net loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance given the bank’s size, financial condition, and the credit needs of the bank’s AA. The bank’s average quarterly loan-to-deposit ratio was 74.85 percent from March 31, 2010 to the present. This is slightly below the 77.95 percent experienced by its peer group of banks during the same period. Our peer group consisted of banks with similar asset sizes, product offerings, and business strategies that operated in similar assessment areas.

Lending in Assessment Area

Resolute Bank originated a substantial majority of its business loans within its AA and exceeds the standard for satisfactory performance. Our conclusion is based on a

sample of business loans originated during the review period. We found the bank originated 80.43 percent of the loans by number and 88.85 percent by dollar amount are inside the AA in 2012-2014.

The following table details Resolute Bank’s January 1, 2012 to December 31, 2014 lending inside and outside the AA by number and dollar amount based on our sample of loans reviewed:

2012-2014 Lending in AA (Business Loans)									
Number of Loans					Dollars of Loans (000s)				
Inside AA		Outside AA		Total #	Inside AA		Outside AA		Total \$
#	%	#	%		\$	%	\$	%	
37	80.43	9	19.57	46	7,347	88.85	922	11.15	8,269

Source: Internal loan reports of business loans originated in the AA from January 2012 through December 2014

Lending to Businesses of Different Sizes

The overall distribution of loans reflects excellent distribution to businesses of different sizes. Performance in both analysis periods were excellent. In determining the level of distribution among businesses of different sizes, we considered several factors including the bank’s size, its single office serving the entire AA, the bank’s business strategy, and the level of competition in the market. See the following tables for the banks 2012-2013 and 2014 performance.

2012-2013 Borrower Distribution of Loans to Businesses in Assessment Area				
Business Revenues (or Sales)	Number of Loans		Dollar of Loans	
	% Peer Small Business Data	Bank % Small Loans to Businesses	% Peer Small Business Data	Bank % Small Loans to Businesses
	#	#	\$	\$
≤\$1,000,000	69.40	87.5%	43.42%	93.47%
>\$1,000,000	30.60	22.5%	56.58%	6.53%

Source: Loan files from a sample of loans selected in the AA from January 2012 through December 2013; 2013 Business Geodemographic Data

2014 Borrower Distribution of Loans to Businesses in Assessment Area				
Business Revenues (or Sales)	Number of Loans		Dollar of Loans	
	% Peer Small Business Data	Bank % Small Loans to Businesses	% Peer Small Business Data	Bank % Small Loans to Businesses
	#	#	\$	\$
≤\$1,000,000	69.41	80.95%	43.42%	65.19%
>\$1,000,000	30.59	19.05%	56.58%	34.81%

Source: Loan files from a sample of loans selected in the AA from January 1st, 2014 through December 31st, 2014; Business Geodemographic Data

Geographic Distribution of Loans

The geographic distribution of business loans reflects satisfactory distribution among most geographies within the AA.

Geographic distribution of loans in both analysis periods is inadequate in the low-income census tracts, however, lending in the moderate-income census tracts is excellent. In evaluating geographic distribution we considered several factors including the bank's business strategy, the location of the bank in the northeast section of Lucas County, its single office serving the entire AA, the level of competition in the market, and the distance from the bank to the low-income census tracts.

See the below tables for 2012 to 2013 and 2014 performance.

2012-2013 Geographic Distribution of Loans to Businesses in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans
Loans to Businesses	8.25	0	16.72	43.75	41.77	37.50	33.26	18.75

Source: Internal loan reports of business loans originated in the AA from January 2012 through June 2013; Business Geodemographic Data

2014 Geographic Distribution of Loans to Businesses in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans
Loans to Businesses	7.93	0	15.91	28.57	41.72	42.86	34.44	28.57

Source: Internal loan reports of business loans originated in the AA from January 2012 through June 2013; Business Geodemographic Data

Responses to Complaints

During the review period, Resolute Bank received no known written complaints pertaining to its performance in helping meet the credit needs within its AA.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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