

PUBLIC DISCLOSURE

April 12, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Great Lakes Bank
17772**

**7001 Center Street
Mentor, Ohio 44060**

Federal Deposit Insurance Corporation

**500 West Monroe St., Suite 3300
Chicago, Illinois 60661**

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.

TABLE OF CONTENTS

I.	General Information.....	1
II.	Institution Rating.....	1
III.	Description of Institution	2
IV.	Description of Assessment Area.....	2
V.	Conclusions	4

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 Community Reinvestment Act (CRA) performance of **Great Lakes Bank, Mentor, Ohio**, prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **April 12, 1999**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

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

The institution's strong loan to deposit relationship indicates a responsiveness to area credit needs. The substantial majority of lending is to borrowers within the bank's assessment area, and there is a good dispersion of loans to geographies of different income levels. Additionally, sampled residential loans reflect a reasonable penetration to individuals of different income levels.

DESCRIPTION OF INSTITUTION

Great Lakes Bank operates its main office in Mentor, Ohio (population 47,358), which is in Lake County (population 215,499) just northeast of Cleveland, Ohio (population 505,616), near the shores of Lake Erie. The bank operates eight full-service branch facilities throughout southwest Lake County, which is one of the six counties that comprise the Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area.

As of December 31, 1998, the bank had total assets of \$86,829,000, net loans of \$60,583,000, and total deposits of \$68,951,000. Based on dollar volume, the loan portfolio contained 50 percent residential real estate loans, 38 percent commercial loans, 10 percent development loans, and 2 percent consumer loans.

The loan products offered appear to meet the individual and business credit needs of the bank's community. In addition to the aforementioned components of the loan portfolio, Great Lakes Bank originates residential loans that are subsequently sold in the secondary market. This secondary market operation allows the bank to offer a wider range of home financing options to residents of the community, including long-term fixed-rate financing.

There does not appear to be any legal, financial, or other factors that would inhibit the bank's ability to meet the reasonable and customary credit needs of the community it serves.

The bank is an affiliate of GLB Bancorp, Inc., a one-bank holding company.

The population information stated above was obtained from 1990 census information.

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act requires financial institutions to identify one or more "assessment areas" within which the appropriate regulatory agency will evaluate the bank's CRA performance. Typically, an institution's assessment area will include the towns, counties, or other political subdivisions in which its branches are located and a substantial portion of its loans are made. Assessment areas must consist of one or more "block numbering areas (BNAs)" or "census tracts," which are statistical subdivisions of a county. Census tracts are the geographies primarily used in metropolitan areas, while BNAs are the geographies used in nonmetropolitan locations.

Each geography (BNA or census tract) is designated as low, moderate, middle, or upper income by comparing the 1990 Census Bureau median family income (MFI) of the geography to the appropriate MFI for the area. The income categories are based on the following definitions:

<u>Income Category</u>	<u>Definition</u>
Low Income -	Income of less than 50 percent of the area median family income (MFI)
Moderate Income -	Income of at least 50 percent and less than 80 percent of the area MFI
Middle Income -	Income of at least 80 percent and less than 120 percent of the area MFI
Upper Income -	Income of 120 percent or more of the area MFI

The applicable figure used to determine the income categories for this institution's assessment area is the 1990 MFI for the Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA 1680), which was \$36,500. The income categories are listed in the following table:

INCOME LEVEL	PERCENT OF MFI	INCOME RANGE
Low	Less than 50%	Less than \$18,250
Moderate	50% to less than 80%	\$18,250 to less than \$29,200
Middle	80% to less than 120%	\$29,200 to less than \$43,800
Upper	120% and over	\$43,800 and over

The bank has designated Lake County, Ohio, as its assessment area. The assessment area is located in PMSA 1680, and includes 69 census tracts. Of these 69 tracts, 4 are considered low income, 3 are moderate income, 44 are middle income, and 18 are upper income. The four low-income tracts are very small and, according to census data, collectively contain only three households and nineteen people. The assessment area is just northeast of Cleveland, Ohio, on the shores of Lake Erie.

Census information indicates 29 percent of the assessment area's families are low and moderate income (12 percent low income and 17 percent moderate income). Of the remaining families, 27 percent are middle income and 44 percent are upper income.

The economy of the assessment area is strong. According to the Bureau of Labor Statistics, the third-quarter 1998 unemployment rate for Lake County was 3.2 percent, down from the 4 percent rate reported for the third quarter of 1996. Lake County's unemployment rate is also below the 4.4 percent rate reported for the State of Ohio. Major employers in Lake County include Avery Dennison Corporation in Painesville, Lubrizol Corporation in Wickliffe, and Lake Hospital System, Inc. in Willoughby, each employing over 1,000 persons. The major employers in Mentor include the County of Lake-Deepwood Center, The Lincoln Electric Company, and Tridelta Industries, Inc., each employing over 500 persons.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance regarding each of the following criteria was reviewed to determine the overall CRA rating. Since Great Lakes Bank's major loan category is residential real estate loans, the evaluation of the institution's performance under most of the criteria is based on bank records of all consumer-purpose residential real estate loans originated in 1998. (A sampling of loans was used to verify the reliability of the bank's records for purposes of this evaluation.)

Loan-to-Deposit Ratio

The institution's loan to deposit relationship is strong and indicates a responsiveness to area credit needs. The average of the bank's net loan-to-deposit ratios for the eleven quarters since the previous evaluation is 96 percent. This loan to deposit relationship compares favorably to other area banks that are considered similarly situated due, in part, to their asset size, product mix, and main office proximity to the assessment area. The following table illustrates this comparison.

NET LOAN-TO-DEPOSIT RATIO COMPARISON		
Bank Name and Location	Total Assets (000) as of 12/31/98	Net Loan-to-Deposit Ratio 11 Quarter Average
North Akron Savings Bank, Akron, Ohio	\$121,539	*101%
First County Bank, National Association, Chardon, Ohio	\$62,210	77%
Summit Bank, National Association, Fairlawn, Ohio	\$119,841	93%
Great Lakes Bank, Mentor, Ohio	\$86,829	96%
The Middlefield Banking Company, Middlefield, Ohio	\$154,418	73%
Geauga Savings Bank, Newbury, Ohio	\$115,120	137%
The Security Dollar Bank, Niles, Ohio	\$171,219	79%

* Due to unavailability of data, ratio calculated only on 8 most recent quarters.

Another consideration in the evaluation of this factor is that subject bank's loan-to-deposit ratio does not reflect the volume of loans the bank routinely originates for sale in the secondary market.

Since October 1997, when the bank began selling loans, Great Lakes Bank originated and sold \$16,365,842 in long-term residential loans. This additional loan volume would increase the bank's December 31, 1998, net loan-to-deposit ratio from 88 percent to anywhere from 90 percent to 112 percent, depending on the funding sources utilized.

Lending in the Assessment Area

The residential real estate loans originated in 1998 indicate the substantial majority of the bank's lending is within the designated assessment area, with 80 percent of the number and 75 percent of the dollar volume of loans to borrowers within the assessment area.

Lending to Individuals of Different Income Levels

The bank's residential lending shows a reasonable penetration to individuals of different income levels.

For this analysis, the residential loans were segregated into different borrower income categories (low, moderate, middle, and upper income) as defined on page 3. Each loan was designated into the appropriate income category by comparing the borrower's annual gross income to the 1998 PMSA median family income of 49,400. The following table reflects the results of this analysis.

DISTRIBUTION OF RESIDENTIAL LOANS ORIGINATED IN 1998 THROUGHOUT THE ASSESSMENT AREA BY INCOME CATEGORY OF BORROWER					
<i>Income status</i>	<i>Income Levels of Families in the Assessment Area (According to Census Data)</i>	<i>Number of Loans</i>	<i>%</i>	<i>Dollar Volume (000)</i>	<i>%</i>
Low Income	12%	20	9%	\$ 893	4%
Moderate Income	17%	44	19%	\$ 2,769	12%
Middle Income	27%	71	30%	\$ 6,639	29%
Upper Income	44%	99	42%	\$12,702	55%
Total	100%	234	100%	\$23,003	100%

The above table illustrates the bank originated 28 percent of the number of loans to low- and moderate-income (LMI) borrowers. This distribution is proportionate to the 29 percent of assessment area families that are considered low and moderate income. This penetration of the lower-income categories reveals management's support in helping to meet the credit needs of LMI individuals. Although the table also indicates a higher dollar volume of loans to the higher-income segments, this relationship is considered reasonable assuming higher financing needs of the upper-income individuals.

Geographic Distribution

The bank's lending demonstrates a good penetration to geographies of different income levels.

As previously stated, the bank's assessment area consists primarily of middle-income geographies followed by upper-income geographies. See the assessment area description on page 3. The following table illustrates the geographic dispersion of the consumer-purpose residential loans originated by the bank in 1998.

Income Level and Number of Geographies in Assessment Area	Location of Subject Bank's Offices	Number of Loans	%	Dollar Volume (000)	%
Low income (4 tracts)	0	0	0%	\$ 0	0%
Moderate income (3 tracts)	1*	9	4%	\$ 593	3%
Middle income (44 tracts)	4	130	56%	\$12,121	53%
Upper income (18 tracts)	4	95	40%	\$10,289	44%
Totals (69 tracts)	9	234	100%	\$23,003	100%

* This denotes the bank's downtown Painesville, Ohio, office, which just opened in February 1999.

The above table shows no lending in the low-income tracts. However, this is not a concern since, according to census data, all four low-income tracts in the assessment area collectively contain only six occupied housing units, which substantially limit the bank's opportunities to make home loans in these tracts.

Response to Complaints

Management has not received any complaints regarding the Community Reinvestment Act since the previous evaluation. Therefore, the bank's record of responding to complaints is not applicable in this evaluation.

Compliance with Fair Lending Regulations

The institution's record of complying with anti-discrimination laws was also considered in the overall rating. We noted no violations of the substantive provisions of the anti-discrimination laws and regulations.