PUBLIC DISCLOSURE

April 15, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Nationwide Bank
Charter Number: **714970**

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Columbus, OH 43215

Office of the Comptroller of the Currency

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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions 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 Nationwide Bank, FSB (“NWB” or “Bank”). The Office of the Comptroller of the Currency (OCC) prepared the evaluation as of April 15, 2015. NWB acquired affiliate Nationwide Advantage Mortgage Company (NAMC) during the evaluation period to enhance the bank’s mortgage origination and servicing operations. OCC evaluates performance in assessment area(s) delineated by the institution rather than individual branches. This assessment area evaluation included a visit to the institution's main office. OCC rates the CRA performance of an institution consistent with the provisions set forth in 12 C.F.R. Part 195.

Overall CRA Rating

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

The following table indicates the performance level of **Nationwide Bank** with respect to the lending, investment, and service tests:

	(Name of Depository Institution) Performance Tests		
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- NWB's lending test performance is satisfactory. The geographic distribution of purchase loans is adequate and the geographic distribution of refinance loans is good. The borrower-income distribution of both purchase and refinance loans is good in the assessment area (AA). Borrower-income distributions in markets of significant Home Mortgage Disclosure Act (HMDA) concentration outside the AA are adequate.

- NWB's investment test performance is excellent. The institution has numerous qualifying mortgage-backed securities and community development grants. A significant number of these activities are within the AA.

- The service test performance is satisfactory. Delivery of retail services to low- and moderate-income consumers is limited due to accessibility of office locations; however, delivery of community development services to low- and moderate-income consumers in the AA is very strong as evidenced by board memberships on community service organizations.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts 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 (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

(i) Low-or moderate-income geographies;
(ii) Designated disaster areas; or
(iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
   a. Rates of poverty, unemployment, and population loss; or
   b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

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

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

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

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

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

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

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

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

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

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

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

Tier One Capital: The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

NWB is a federally chartered stock, intrastate savings bank located in Columbus, Ohio, with approximately $6.3 billion in total assets as of December 31, 2014. The bank is a wholly owned subsidiary of Nationwide Mutual Insurance Company (NMIC), one of the largest insurance and financial companies in the country, with approximately $195 billion in total assets at December 31, 2014. NWB's most recent CRA evaluation, completed as of December 17, 2012, resulted in an overall rating of "Needs to Improve" under the large bank test. NWB engages in a combination of consumer, commercial and mortgage lending. Deposit products offered include certificates of deposit, savings accounts, money market accounts, individual retirement accounts, and checking accounts. The bank maintains two offices, both acquired when the employee credit union merged with the bank in January 2007. The bank prior to this merger was a limited purpose institution and not subject to the CRA. At December 31, 2014, the bank's tier 1 capital was 8.05 percent. The bank's financial condition does not impede its ability to help meet the credit needs of its AA.

Due to the business model, NWB generates deposits and loans nationally. The bank attempts to reach new customers on a national basis through its website, call center, and the mail. Internet banking is available to anyone who resides in the United States.

As a result of this business model, many of the new loans granted and deposit accounts established are from households of NMIC policy holders (customers), NMIC associates and retirees, or the general market, mostly acquired via internet. The most prominent concentration of customers is in the Columbus, Ohio metropolitan area (MA), as the city contains the corporate headquarters of both the bank and holding company, and both retail offices. The Des Moines, Iowa MA also has a significant concentration of mortgage loans due to it being the headquarter city of the former affiliate NAMC. NWB acquired NAMC in early 2015 and is moving the mortgage operations, in phases through 2016, to Columbus, OH.

NWB often relies on the considerable resources available to it through its affiliate structure to help meet its CRA obligations, in particular the Nationwide Foundation (philanthropic/charitable entity) and the aforementioned NAMC.

NAMC was a nationally licensed mortgage banker, which sold the majority of its loans on the secondary mortgage market. At management's request, NAMC's lending activities were considered when evaluating the lending test described throughout this Performance Evaluation (PE). In addition, NWB also purchases a significant amount of mortgage loans and organically originates home equity lines of credit and installment loans (HELOCs and HEILs). NWB does not have a high-volume commercial lending infrastructure. As a result, the Bank must rely on affiliate relationships (Nationwide Real Estate Investments) as well as third-party relationships with Community Development Financial Institutions to generate commercial and CD Loans. During the review period, most small business loans were granted outside the AA. NWB engages in more consumer lending (Individual loans – including automobile and credit card) than is typical of a thrift institution; however, residential mortgage lending is the bank's primary product.

As of December 31, 2014, NWB's loan portfolio more than doubled since the prior evaluation and is now 64.1 percent of total assets. The table on the following page reflects a comparison of the dollar amount, percentage to total loans, and percentage to total assets of each loan category at the current and prior evaluation periods.

Nationwide Bank's Investment in Loans						
Loan Category	Amount ($000's)		Percent of Total Loans		Percent of Total Assets	
	9/30/2012	12/31/2014	9/30/2012	12/31/2014	9/30/2012	12/31/2014
Real Estate Loans	$ 1,063,735	$ 2,367,552	60.8%	58.9%	21.5%	37.8%
Commercial Loans	$ 100,308	$ 105,570	5.7%	2.6%	2.0%	1.7%
Consumer Loans	$ 556,173	$ 1,507,255	31.7%	37.5%	11.2%	24.1%
Agricultural Loans	$ 31,550	$ 38,433	1.8%	1.0%	0.6%	0.6%
Other Loans	$ 14	$ 79	0.0%	0.0%	0.0%	0.0%
Total	$ 1,751,780	$ 4,018,889	100.0%	100.0%	35.3%	64.2%

Source: September 30, 2012 & December 31, 2014 Uniform Bank Performance Report

No legal, financial or other factors impeding the bank's ability to help meet the credit needs in its assessment area (AA) are noted.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Primary loan products for this review are products in which the bank originated at least 20 loans within the AA during the evaluation period. Performance tables illustrating performance are embedded throughout the evaluation. We discuss data from the July 1, 2012 through December 31, 2013 evaluation period in the applicable narrative sections of the evaluation. Performance during the 2014 evaluation period is summarized in brief conclusionary statements.

We analyzed home purchase, and home refinance mortgage loans the bank reported under the HMDA for the period from July 1, 2012 through December 31, 2014 as these were the only two products with more than 20 units during the evaluation periods. Because of changes in the bank's AA and changes to standard demographic information used in CRA evaluations, our analysis is divided into two separate evaluation periods. One evaluation period is from July 1, 2012 through December 31, 2013 (using 2010 census data) and the second evaluation period is for 2014 (using 2010 census data and the 2014 Office of Management and Budget Metropolitan Area changes).

We determined there were insufficient numbers of small business and small farm lending data for meaningful analysis; thus, they are not included in this evaluation. We also reviewed community development loans, investments, and services for the period from July 1, 2012 through December 31, 2014.

Data Integrity

To assess the accuracy of the data included in required reports, we conducted an independent test of data for home mortgage, small business, and small farm loan products for all the evaluation periods included in this evaluation. We determined the loan data was accurate.

Selection of Areas for Full-Scope Review

The bank's lone AA, referred to in this report as the Columbus OH MA, was selected for full-scope review.

Ratings

The bank's overall rating is equivalent to the state of Ohio rating, since the only AA is in Ohio.

The state ratings are based primarily on those areas that received full-scope reviews. Due to the non-traditional business model, additional consideration was given to residential mortgage loans to low and moderate-income residents in areas outside of the 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.

State Rating

State of Ohio

CRA Rating for Ohio:

The lending test is rated:	**High Satisfactory**
The investment test is rated:	**Outstanding**
The service test is rated:	**High Satisfactory**

The major factors that support this rating include:

- The geographic distribution of purchase loans is adequate and the geographic distribution of refinance loans is satisfactory. The borrower-income distribution of both purchase and refinance loans is satisfactory in the AA.

- The investment test performance is excellent due to the portfolio of mortgage-backed securities and a large amount of qualified grants paid by the Nationwide Foundation.

- The service test performance is satisfactory. Delivery of retail services to low- and moderate-income consumers is limited due to accessibility of office locations; however, delivery of community development services to low- and moderate-income consumers in the AA is very strong as evidenced by board memberships on community service organizations.

Description of Institution's Operations in the State of Ohio

The business model for NWB is a hybrid of an internet bank and an employee credit union. Additionally, a trust division contributes significantly to bank operations. The bank functions as a non-traditional thrift (or digital bank) with operations specifically designed for internet (including mobile and tablet) and ATM access, with a limited number of branches. Many customers are legacy customers inherited by the bank when NWB merged with the Nationwide employee credit union. The bank's digital banking focus and cross-marketing initiatives are directed towards Nationwide associates, retirees, agents and policyholders, as well as the general public. Many Nationwide employees choose to bank with NWB due to both convenience and loyalty. Almost half of the households, which have at least one bank product, are current or former Nationwide Insurance policyholders.

NWB's two physical offices are not traditional thrift offices. NWB acquired the offices from the employee credit union upon its merger with the bank. Both are located inside Nationwide employment facilities and are not readily accessible to the general public. No roadside indication or signage exists of the bank's presence and almost all branch traffic remains Nationwide employees, retirees, or spouses, etc., and are not the bank's primary service outlet for the general public.

Both NWB banking offices are located in Franklin County, Ohio. The assessment area (AA) has been defined to be the Columbus, Ohio MA #18140, in its entirety. The Columbus MA consists of ten counties: Franklin, Union, Madison, Pickaway, Fairfield, Licking, Delaware, Morrow, Hocking, and Perry Counties.

In February 2013, the Office of Management and Budget (OMB) added Hocking and Perry counties to the Columbus MA due to commuting patterns and other economic data based on the 2010 Census. The new definitions are effective for HMDA data collected on and after January 1, 2014. At that time, the bank expanded its AA to include the two additional counties.

The bank also owns 12 ATM machines, most of which are located inside office buildings within the Columbus MA AA and not readily accessible to the general public. Many non-proprietary ATMs are available for use free of charge to Nationwide customers. Customers may locate one of these ATMs by using the search feature on the bank's website.

The Columbus, OH MA ranked 32nd among all 381 MAs in the United States and is the third largest metropolitan area in the State of Ohio. Based on the 2000 and 2010 US Census Bureau data, population within the AA increased by 13.7 percent during the period, far greater than the state of Ohio, which grew by only 1.6%. Franklin County, where the City of Columbus is located, represents approximately two-thirds of the MA's population. Delaware, Union, Fairfield and Licking counties experienced significant net population increases, whereas Franklin, Madison and Pickaway counties had more modest gains. Delaware County is the most affluent county in the AA. Madison and Pickaway Counties remain primarily rural with the majority of the land in farms.

As of April 2015, the preliminary unemployment rate totaled 3.8 percent in the Columbus MA, ranging from a low of 3.1 percent in Delaware County to a high of 6.1 percent in Perry County. Department of Labor data reflects the overall unemployment rate in the AA has generally been decreasing steadily over the past few years and compares favorably to the nationwide rate of 5.4 percent and the statewide rate of 5.2 percent.

The AA has a diversified economy with numerous major employers in various industries. The public sector is the AA's largest type of employment with the State of Ohio, The Ohio State University, and the U S government being the major employers. The financial sector is the area's second largest employment sector with J P Morgan Chase, Nationwide Insurance, and Huntington Bancshares being the largest. Other major employers in the AA include Honda, which has its largest North American manufacturing complex in Union County, Limited Brands, Cardinal Health, Wendy's Restaurants, and the Battelle Memorial Institute.

Due to the addition of the two counties, effective on January 1, 2014, mentioned above, the AA's census tracts increased from 420 to 433, with modest changes in geographies, population, families, and housing units, reflected in the two tables below**.** The population in the AA totaled 1.9 million, which represented an increase of 3.6 percent from 2000. Median housing value decreased slightly by 1 percent while the Federal Financial Institutions Examination Council (FFIEC) estimated median family income (MFI) increased by 2 percent. The median housing value remained less than two and a half times of the FFIEC estimated MFI, which indicates relatively affordable housing in the AA.

The aforementioned statistics and the relatively low MA unemployment rate speak to the economic vitality of the MA. However, vacant housing units in the AA continued to increase to 87,198, representing approximately 11 percent of total housing units. In addition, households below the poverty level continued to grow to 95,507 and represented 13 percent of all the households in the AA. The level of vacant housing units and households below the poverty level in the AA indicate that there is a significant need for affordable housing for low- and moderate-income residents.

We consider the number and percentages of geographies, population, families, and housing units on the basis of income levels by geographic area. The addition of the two counties in 2014 did not significantly change the number and percentages of the above items in low- or moderate-income geographies. In 2013, approximately 15.5 percent of census tracts are considered low-income and 23.8 percent of CTs are considered moderate-income. In 2014, 14.3 percent of CTs are located in low-income geographies and 24.7 percent of census tracts are located in moderate-income geographies.

We also note that the percent of families who reside in low-income CTs is far higher than the percent of owner-occupied housing units in those low-income geographies. For instance in 2013, 21.6 percent of families resided in low-income geographies while only 5.3 percent of owner-occupied housing units are located in those geographies.

Demographic Data of the Columbus MA Assessment Area (Based on 2010 Census Data and 2013 FFIEC Estimated MFI)						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts/BNAs)	420	15.48	23.81	33.81	26.19	0.71
Population by Geography	1,836,536	10.70	20.41	37.98	30.32	0.59
Owner-Occupied Housing by Geography	450,052	5.30	17.72	40.84	36.14	0.00
Business by Geography	154,633	8.96	19.07	35.27	36.38	0.32
Farms by Geography	5,421	3.10	12.80	53.24	30.82	0.04
Family Distribution by Income Level	449,672	21.62	17.37	20.69	40.32	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	175,327	17.26	30.46	38.13	14.24	0.00
Median Family Income		66,337	Median Housing Value		165,312	
FFIEC Adjusted Median Family Income for 2013		67,900	Unemployment Rate (2010 US Census)		3.87%	
Households Below Poverty Level		13%				

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2013 FFIEC estimated MFI
"BNA" is the abbreviation for Block Numbering Areas, and was previously used in defining boundaries prior to the 2000 U.S. Census.

Demographic Data of the Columbus MA Assessment Area (Based on 2010 Census Data and 2014 FFIEC Estimated MFI)						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts/BNAs)	433	14.32	24.71	32.33	27.94	0.70
Population by Geography	1,901,974	9.87	21.43	35.72	32.41	0.57
Owner-Occupied Housing by Geography	468,733	4.74	18.95	38.19	38.12	0.00
Business by Geography	139,639	7.97	19.96	32.87	38.89	0.31
Farms by Geography	5,191	2.75	14.33	50.59	32.31	0.02
Family Distribution by Income Level	467,477	21.29	17.31	20.75	40.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	180,433	15.76	32.39	36.29	15.56	0.00
Median Family Income		64,914	Median Housing Value		163,329	
FFIEC Adjusted Median Family Income for 2014		69,400	Unemployment Rate (2010 US Census)		3.89%	
Households Below Poverty Level		13%				

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

Scope of Evaluation in Ohio

The Columbus OH MA AA received a full-scope review. There are no other AAs in the state.

We made community contacts in the Columbus MA AA. The contacts included two non-profit financial intermediaries. The contacts indicated a need for affordable housing and small business lending in severely depressed neighborhoods, with one of the contacts specifically mentioning the Franklinton area of Columbus.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's overall performance under the lending test in the state of Ohio is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Columbus MA AA is good. Lending performance to low- and moderate-income borrowers in the sampled markets of Chicago IL, Des Moines, IA, and St. Louis, MO outside the AA is adequate.

Lending Activity

Given the non-traditional business model, the bank's overall lending activity in Ohio is adequate. The volume of lending in the Columbus MA AA was adequate.

The bank's overall HMDA mortgage market share based on 2013 HMDA data in the AA was 0.69 percent ranking it 33rd out of 469 HMDA reporting lenders. The bank's deposit market share at June 30, 2013, as reported by the FDIC Deposit Market Share Report, was 8.09 percent, ranking it 5th out of 61 deposit market participants. However, the FDIC attributes all out of area deposits to the home office branch in Columbus. Further, the bank was unable to provide figures that are more precise. Thus, we provided little weight to this portion of the overall lending test analysis.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to the table below for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases in the AA.

<u>Home Purchase</u>

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans during 2012 through 2013 was adequate. The geographic distribution of loans in low- to moderate-income census tracts was in line with area peer institutions.

The percentage of home purchase loans in low-income CTs was below that of other HMDA-reporting institutions in the AA. The percentage of home purchase loans in moderate-income CTs exceeded that of other HMDA-reporting institutions in the AA.

The percentage of loans in the low-income CTs was significantly below the percentage of owner-occupied units in these CTs. The percentage of loans in moderate- income CTs was below the percentage of owner-occupied units in these geographies.

The bank's performance in the 2014 evaluation period was stronger than the performance noted in the July 1, 2012 through 2013 review period, as lending in low-income CTs was below the percentage of owner-occupied units and peer in these CTs, but the percentages of loans in moderate-income CTs exceeded the peer percentage.

Home Refinance

The overall geographic distribution of home refinance loans is good. The bank's geographic distribution of home refinance loans during 2012 through 2013 was good. The geographic distribution of loans in low- to moderate-income census tracts exceeded area peer institutions.

The percentage of home refinance loans in low-income CTs exceeded that of other HMDA-reporting institutions in the AA. The percentage of home refinance loans in moderate-income CTs exceeded that of other HMDA-reporting institutions in the AA.

The percentage of loans in the low-income CTs was near to the percentage of owner-occupied units in these CTs. The percentage of loans in moderate- income CTs was below the percentage of owner-occupied units in these geographies.

The bank's performance in the 2014 evaluation period was stronger than the performance noted in the July 1, 2012 through 2013 review period, as lending in low-income CTs exceeded the percentage of owner-occupied units and is in line with peer comparisons in these CTs, and the percentages of loans in moderate-income CTs exceeded the percentage of owner-occupied units and peer lending levels.

Geographic Distribution of HMDA-Reportable Mortgage Loans
In the Assessment Area
7/1/2012 - 12/31/2013

Income Level	Owner-Occupied Housing Units (2010 Census)	NWB Home Purchase Loans		2013 Peer Lending	NWB Home Mortgage Refinance Loans		2013 Peer Lending
	%	#	%	%	#	%	
Low	5.30%	5	1.28%	2.26%	30	4.94%	3.04%
Moderate	17.72%	53	13.55%	12.59%	84	13.84%	12.62%
Middle	40.84%	118	30.18%	39.52%	179	29.49%	38.20%
Upper	36.14%	215	54.99%	45.63%	314	51.73%	46.14%
NA	0.00%	0	0.00%	0.00%	0	0.00%	0.00%
Total	100.00%	391	100.00%	100.00%	607	100.00%	100.00%

Source: 2012 & 2013 HMDA Data, 2013 Peer Mortgage Data - US and PR
and U.S. Census Bureau Data

Lending Gap Analysis

Our geographic distribution analysis included a review for lending gaps in low- and moderate-income geographies. We did not identify any unexplained conspicuous lending gaps in the Columbus MA AA.

Inside/Outside Ratio

During the combined 30 month current review period, 8.9 percent of HMDA purchase loans were in the AA while 6.1 percent of HMDA refinance loans were in the AA. The percentage of lending activity inside the AA as a percent of total NWB and affiliate loan activity during the evaluation period is very low when compared to traditional banks. However, these low ratios are attributable to the non-traditional business model, which is a hybrid of several non-traditional activities, as described above under "Description of Institution."

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to the table below for the facts and data used to evaluate the borrower income distribution of the bank's home mortgage loan originations and purchases in the AA.

Home Purchase

The overall distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2013 was good. The distribution of loans to low- and moderate-income families exceeded area peer institutions.

The percentage of home purchase loans to low-income borrowers was below that of other HMDA-reporting institutions in the AA. The percentage of home purchase loans to moderate-income borrowers exceeded that of other HMDA-reporting institutions in the AA.

The percentage of loans to low-income borrowers was significantly below the percentage of low-income families. The portion of loans to moderate-income borrowers exceeded the percentage of moderate-income families. We note that the available supply of qualified mortgage borrowers is small in the low-income segment of the market.

The bank's performance in the 2014 review period was stronger than the performance noted in the July 1, 2012 through 2013 review period, as the percentage of loans to low-income borrowers was below the percentage of low-income families, while the percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. Lending to low-income families was in line with peer comparisons while lending to moderate-income families exceeded peer comparisons.

Home Refinance

The overall distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2013 was good. The distribution of loans to low- and moderate-income families exceeded area peer institutions.

The percentage of home refinance loans to low-income borrowers exceeded that of other HMDA-reporting institutions in the AA. The percentage of home refinance loans to moderate-income borrowers exceeded that of other HMDA-reporting institutions in the AA.

The percentage of loans to low-income borrowers was significantly below the percentage of low-income families. The portion of loans to moderate-income borrowers exceeded the percentage of moderate-income families. We note that the available supply of qualified mortgage borrowers is small in the low-income segment of the market.

The bank's performance in the 2014 review period was stronger than the performance noted in the July 1, 2012 through 2013 review period, as the percentage of loans to both low-income and moderate-income borrowers exceeded the percentage of low-income and moderate-income families, respectively. Lending to low- and moderate-income families was in line with peer comparisons.

Borrower Income Distribution of HMDA-Reportable Mortgage Loans In the Assessment Area 7/1/2012 - 12/31/2013							
Income Level	Families by Income Category (2010	NWB Home Purchase Loans		2013 Peer Lending	NWB Home Mortgage Refinance Loans		2013 Peer Lending
	%	#	%	%	#	%	
Low	21.62%	23	5.93%	8.92%	46	7.53%	6.76%
Moderate	17.37%	129	32.99%	23.96%	109	17.92%	17.32%
Middle	20.69%	41	10.57%	24.40%	79	13.08%	24.06%
Upper	40.32%	198	50.51%	42.72%	373	61.47%	51.86%
NA	0.00%	0	0.00%	0.00%	0	0.00%	0.00%
Total	100.00%	391	100.00%	100.00%	607	100.00%	100.00%

Source: 2012 & 2013 HMDA Data, 2013 Peer Mortgage Data - US and PR and U.S. Census Bureau Data

Community Development Lending

The bank's CD lending activity in the AA had a neutral impact on the Lending Test rating. Nationwide Bank (NWB) originated a satisfactory level of CD loans during the evaluation period. NWB originated and renewed loans totaling $15.6 million during the review period, and represents 3.12 percent of the bank's tier 1 capital as of December 31, 2014. These CD loans help to provide affordable housing, community services to low- or moderate-income individuals, stabilization/revitalization of low- or moderate-income areas, or provide economic development through job creation.

Some specific examples of the CD loans originated during this evaluation period include:

- The bank provided $8 million to a Community Development Financial Institution (CDFI) for the development or rehabilitation of low-income housing within the city of Columbus, Ohio.

- The bank originated $3 million in new loans during the review period to a Community Development Loan Fund (CDLF) dedicated to providing flexible financing options for small businesses focused on creating jobs, and providing services in the low- and moderate-income areas of Columbus, Ohio.

- The bank originated a $600 thousand dollar credit to a not-for-profit educational organization. The proceeds were used for building improvements for a school located in a low-income geography. The school's student body is comprised of a very high percentage of children eligible for subsidized lunches.

We viewed the community development loans as highly responsive to identified needs of low-income residents of the AA.

Product Innovation and Flexibility

The bank's affiliate, NAMC, originates FHA and VA mortgage loans, which are HMDA-reportable, thus already included in the lending test analysis of HMDA loans. This loan type tends to serve customers of low- or moderate-income levels. The bank does not have a proprietary CRA loan program.

Conclusions for Areas Receiving Limited-Scope Reviews

Because of the bank's non-traditional business model and resultant high percentage of loans outside of its AA, we also conducted a borrower-income distribution analysis on the following markets that we identified as having significant concentrations of residential mortgage lending: Chicago, IL; Des Moines, IA; and St. Louis, MO. Based on these limited-scope reviews, the bank's performance under the lending test in the Des Moines MA is not inconsistent with the bank's overall "High Satisfactory" performance under the lending test in the Ohio Rating Area. In the Chicago and St. Louis MAs, the bank's performance is weaker than the bank's performance in the Ohio Rating Area, though is still adequate. Performance in the Chicago and St. Louis MAs was weaker as the percentage of loans to low-income borrowers was significantly below the percentage of low-income families.

Performance in all three markets represented adequate or better lending patterns to low- and moderate-income borrowers, given the significant performance context matters present regarding the bank's business model, as described under the "description of institution" section.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the state of Ohio is rated "Excellent." Based on full-scope reviews, the bank's performance in the Columbus, OH MA is excellent.

The qualified investments and grants exceed the standards for satisfactory performance. At December 31, 2014, NWB held 16 qualifying mortgage backed securities totaling $33.9 million that directly benefited the bank's AA. Management did not report any prior period investments with outstanding balances. Management did not report any unfunded commitments.

The bank, along with its affiliates, has taken a leadership role in identifying community needs. The bank paid grants totaling $3,800 to various organizations in the Columbus MA AA, designed to provide services and opportunities for low- and moderate-income persons. Management also presented the activities of the Nationwide Foundation for our consideration. The Nationwide Foundation is a non-profit private foundation to which bank affiliate, NMIC, is the primary donor. We determined that the Nationwide Foundation donated $3.7 million to qualifying community service organizations located in the Columbus MA AA during the combined review period. Many grant recipients are involved in providing emergency food, homes and much need social support services to very poor residents of the community. These grants were given significant weight in the Investment Test rating.

The number and dollar amount of both qualifying investments and grants within the AA are strong, with the dollar amount outstanding at December 31, 2014 representing 7.5 percent of tier one capital.

SERVICE TEST

The bank's performance under the Service Test is high satisfactory given the adequate retail services and excellent community development services.

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test rated "High Satisfactory" given the adequate retail services and excellent community development services. Based on a full-scope review, the bank's performance in the Columbus MA AA is good. Retail services are adequate, alternative delivery systems are adequate, and community development services are excellent.

We evaluated retail delivery systems, alternative delivery systems services and community development services. As described above under "Description of Institution," the bank has a non-traditional business model; therefore when determining the overall Service Test rating, we placed greater emphasis on the quantity and quality of community development services. The large number of board memberships on community development service organizations demonstrates excellent service to low-income residents.

Retail Banking Services

NWB's branch distribution in the AA is adequate. As previously discussed in this Performance Evaluation, NWB does not deliver its products and services to customers via a traditional business model. Nationwide's two branches are employee credit union legacy offices. These branches primarily provide services to employees and retirees, or spouses of employees and retirees. NWB's two offices are located in the AA; however, they are not readily accessible to the public as a means of conducting general retail banking business. Both offices are located in upper-income geographies. We did not consider the lack of physical offices in low- or moderate-income geographies a negative due to the Bank's non-traditional business model.

Branch openings and closings have not adversely affected the overall accessibility of the bank's delivery systems in low- and moderate- income geographies or to low- and moderate-income individuals. We noted no opening or closing of any branches or NWB-owned ATMs in the AA during the review period. One bank-owned ATM relocated in January 2013; the ATM remained in an upper-income geography.

NWB's hours and services offered in the AA are adequate. This criteria is only relevant to that portion of the customer base served by the physical offices, and due to the non-traditional business model was not a significant consideration in the service test rating.

Alternative Delivery Systems

NWB's provision of services through alternative delivery systems is adequate. Customers can conduct business over the Internet 24 hours a day. Internet services include paying bills online, transferring funds between accounts, and applying for products. Mobile banking offers access to customer funds by mobile application, mobile web browser, and SMS/text message.

Mobile services include: paying bills via mobile bill pay; transferring funds between accounts; depositing checks; and searching for ATM locations. Telephone customer service hours are 8:00 am – 8:00 pm, Eastern Time, Monday through Friday. If a customer calls outside these hours, the call is forwarded to an automated voice response unit, which the customer can use to receive information about their accounts. There is no charge on consumer purpose accounts for Internet, mobile or telephone banking usage.

Management relies on its alternative delivery systems, including Internet operations, mobile banking, telephone banking, and a network of non-proprietary ATM machines, as its primary method to serve its customer base and public. Most of the 12 proprietary ATMs are located inside office buildings and not readily accessible to the public. We determined there are an additional 509 non-proprietary ATMs in the AA that are free of charge to NWB customers. Customers may locate the nearest ATM by using a search feature on the bank's website. We sampled alternative retail services to assess the accessibility and usage of these services in low- and moderate-income geographies within the AA. We sampled 20 online banking users, 20 mobile banking users, and 20 bill pay users. Further, we determined the geographic income level of the locations of 20 randomly selected non-proprietary ATMs. The sample of alternative retail services indicates that the bank has good penetration of moderate-income geographies, but poor penetration in low-income geographies, as reflected in the table below.

Alternative Retail Services Sample Review								
Census Tract	**Online Banking Users**		**Mobile Banking Users**		**Bill Pay Users**		**Nonproprietary ATMs**	
Income Category	#	%	#	%	#	%	#	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	4	20.0%	3	15.0%	1	5.0%	4	20.0%
Middle	7	35.0%	4	20.0%	8	40.0%	3	15.0%
Upper	9	45.0%	13	65.0%	11	55.0%	13	65.0%
Total in the Sample	20	100.0%	20	100.0%	20	100.0%	20	100.0%

Community Development Services

NWB's performance in providing community development services in the AA was excellent. The bank demonstrated that many enterprise associates and leaders are actively involved with community development service organizations.

<u>Board Membership</u>
Nationwide associates and leaders serve on the Boards of 37 community development service organizations. Of these organizations, 31 organizations serve the AA and six organizations serve larger regional areas that include the AA. Examples of these organizations include Big Brothers Big Sisters of Central Ohio, Inc, Mid-Ohio FoodBank, and People In Need, Inc. of Delaware County.

<u>Jr. Achievement (JA) of Central Ohio</u> - JA USA is the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship, and financial literacy through experiential, hands-on programs. In May, 2013, Nationwide Bank's Sr. Leadership Team committed a day to a JA activity-based program with a Columbus inner city school (Africentric High School) in a moderate-income community. During this event, the students took part in a program entitled JA-in-a-Day, where they worked directly with Nationwide Bank management team volunteers to develop skills and knowledge in financial literacy and workforce readiness.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered.

<table>
<tr><td>Time Period Reviewed</td><td colspan="2">Lending Test (excludes CD Loans): (07/01/12 to 12/31/14)
Investment and Service Tests and
CD Loans: (07/01/12 to 12/31/14)</td></tr>
<tr><td colspan="2">Financial Institution</td><td>Products Reviewed</td></tr>
<tr><td colspan="2">(Nationwide Bank (“NWB” or “Bank”)
Columbus, OH)</td><td>Purchase and refinance mortgage loans</td></tr>
<tr><td>Affiliate(s)</td><td>Affiliate Relationship</td><td>Products Reviewed</td></tr>
<tr><td>(Nationwide Advantage Mortgage Corporation (NAMC))</td><td>Both owned by Nationwide Mutual Insurance Company</td><td>Purchase and refinance mortgage loans</td></tr>
<tr><td>Nationwide Foundation</td><td>Non-profit private foundation to which Nationwide Mutual Insurance Company is the primary donor.</td><td>Grants</td></tr>
<tr><td colspan="3">List of Assessment Areas and Type of Examination</td></tr>
<tr><td>Assessment Area</td><td>Type of Exam</td><td>Other Information</td></tr>
<tr><td>Ohio
(Columbus) #18140</td><td>Full-Scope</td><td>All counties in the MSA are designated as the AA, for both review periods.</td></tr>
</table>

Appendix B: Summary of State Ratings

RATINGS BANK NAME				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Nationwide Bank	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
State:				
Ohio	High Satisfactory	Outstanding	High Satisfactory	Satisfactory

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

Appendix C: Market Profiles for Full-Scope Areas

State of Ohio Full-Scope Areas

Columbus MA

Demographic Information for Full-Scope Area: (Name of MA or Nonmetropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	420	15.48	23.81	33.81	26.19	0.71
Population by Geography	1,836,536	10.70	20.41	37.98	30.32	0.59
Owner-Occupied Housing by Geography	450,052	5.29	17.72	40.85	36.14	0.00
Businesses by Geography	154,633	8.96	19.07	35.27	36.38	0.32
Farms by Geography	5,421	3.10	12.80	53.24	30.82	0.04
Family Distribution by Income Level	449,672	21.62	17.37	20.69	40.32	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	175,327	17.27	30.46	38.03	14.24	0.00
Median Family Income FFIEC Estimated Median Family Income for 2013 Households Below the Poverty Level	= $66,337 = $67,900 =13%		Median Housing Value Unemployment Rate		= $165,312 = 3.87%	

(*) The NA category consists of geographies that have not been assigned an income classification.
"BNA" is the abbreviation for Block Numbering Areas, and was previously used in define boundaries prior to the 2000 U.S. Census.
Source: 2010 U.S. Census, and 2013 FFIEC Estimated MFI

The assessment area (AA) has been defined to be the Columbus, Ohio MA #18140, in its entirety. The Columbus MA consists of ten counties: Franklin, Union, Madison, Pickaway, Fairfield, Licking, Delaware, Morrow, Hocking, and Perry Counties.

In February 2013, the Office of Management and Budget (OMB) added Hocking and Perry counties to the Columbus MA due to commuting patterns and other economic data based on the 2010 Census. The new definitions are effective for HMDA data collected on and after January 1, 2014. At that time, the bank expanded its AA to include the two additional counties.

The Columbus, OH MA ranked 32nd among all 381 MAs in the United States and is the third largest metropolitan area in the State of Ohio. Based on the 2000 and 2010 US Census Bureau data, population within the AA increased by 13.7 percent during the period, far greater than the state of Ohio, which grew by only 1.6%. Franklin County, where the City of Columbus is located, represents approximately two-thirds of the MA's population.

Delaware, Union, Fairfield and Licking counties experienced significant net population increases, whereas Franklin, Madison and Pickaway counties had more modest gains. Delaware County is the most affluent county in the AA. Madison and Pickaway Counties remain primarily rural with the majority of the land in farms.

As of April 2015 (the most recent data available), the preliminary unemployment rate totaled 3.8 percent in the Columbus MA, ranging from a low of 3.1 percent in Delaware County to a high of 6.1 percent in Perry County. The overall unemployment rate in the AA has generally been decreasing steadily over the past few years and compares favorably to the nationwide rate of 5.4 percent and the statewide rate of 5.2 percent.

The AA has a diversified economy with numerous major employers in various industries. The public sector is the AA's largest type of employment with the State of Ohio, The Ohio State University, and the US Government being the major employers. The financial sector is the area's second largest employment sector with JP Morgan Chase, Nationwide Insurance, and Huntington Bancshares being the largest. Other major employers in the AA include Honda, which has its largest North American manufacturing complex in Union County, Limited Brands, Cardinal Health, Wendy's Restaurants, and the Battelle Memorial Institute.

Due to the addition of the two counties, effective on January 1, 2014, mentioned above, the AA's census tracts increased from 420 to 433, with modest changes in geographies, population, families, and housing units, reflected in the two tables below**.** The population in the AA totaled $1.9 million, which represented an increase of 3.6 percent from 2000. Median housing value decreased slightly by 1 percent while HUD adjusted median family income (MFI) increased by 2 percent. The median housing value remained less than two and a half times of the HUD adjusted MFI, which indicates relatively affordable housing in the AA.

The aforementioned statistics and the relatively low MA unemployment rate speak to the economic vitality of the MA. However, vacant housing units in the AA continued to increase to 87,198, representing approximately 11 percent of total housing units. In addition, households below the poverty level continued to grow to 95,507 and represented 13 percent of all the households in the AA. The level of vacant housing units and households below the poverty level in the AA indicates there is a significant need for affordable housing for low-income residents.

We also consider the number and percentages of geographies, population, families, and housing units on the basis of income levels by geographic area. The addition of the two counties in 2014 did not significantly change the number and percentages of the above items in low- or moderate-income geographies. In 2013, approximately 15.5 percent of census tracts are considered low-income and 23.8 percent of CTs are considered moderate-income. In 2014, 14.3 percent of census tracts are located in low-income geographies and 24.7 percent of census tracts are located in moderate-income geographies.

We also note that the percent of families who reside in low-income CTs is far higher than the percent of owner-occupied housing units in those low-income geographies. For instance in 2013, 21.6 percent of families resided in low-income geographies while only 5.3 percent of owner-occupied housing units are located in those geographies.