



## **PUBLIC DISCLOSURE**

September 23, 2013

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Farmers' National Bank of Canfield  
Charter Number 3654

20 South Broad Street, Canfield, OH 44406

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 Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

The primary factors supporting the bank's rating are:

- The loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and credit needs of the assessment areas (AAs).
- A majority of loan originations are made inside the bank's AAs.
- The distribution of loans to borrowers of different incomes and businesses of different sizes meets the standard for satisfactory performance.
- The geographic distribution of loans among geographies of different income levels is reasonable. However, home mortgage lending reflects a poor dispersion throughout the AAs.
- The bank's community development (CD) performance through CD loans, qualified investments, and services demonstrates adequate responsiveness to the CD needs of the AAs.

## **Scope of Examination**

We evaluated the Farmers' National Bank of Canfield's (FNB's or bank's) performance in relation to the Community Reinvestment Act (CRA) using CRA intermediate small bank (ISB) procedures. As described in the *Description of Assessment Areas* portion of this Public Evaluation, FNB has three designated AAs. The bank's primary AAs consists of portions of Mahoning and Trumbull Counties. Its secondary market includes portions of Columbiana and Stark Counties. We used full-scope CRA ISB procedures to evaluate the bank's performance within the Mahoning and Trumbull Counties AA and limited scope procedures to evaluate the bank's performance within the Columbiana County AA. We did not evaluate FNB's performance in Stark County. The addition of this AA occurred later in the review period, when the bank opened a new branch in June 2011.

The procedures used to assess the bank's performance focused on the primary lending products and CD activities. The bank's primary lending focus is business and home mortgage lending. This assessment is based on reports of lending activities over the review period, Report of Condition and Income, and our discussions with management. We evaluated the bank's CRA performance based on small loans to businesses and home mortgage loans. FNB also offers farm and consumer loans. However, the bank originates very few farm related loans. The consumer loan portfolio is primarily comprised of indirect automotive loans, which are originated through indirect automotive

dealers located in Ohio, Pennsylvania, and West Virginia. Therefore, we did not consider farm or consumer lending as part of the evaluation.

The evaluation period is September 30, 2009 through September 23, 2013. We evaluated the bank's lending activities based on its LTD ratio, AA concentration, geographic distribution of loans, lending to borrowers and businesses of different sizes, and compliance with anti-discrimination laws and regulations. We also evaluated the bank's CD activities relative to its qualified CD loans, investments, and services. The evaluation period for assessing the bank's lending activities covered January 1, 2010 through December 31, 2011. The evaluation period for assessing the bank's CD activities covered September 30, 2009 through September 23, 2013. We utilized other supporting information, including 2000 Census Data, bank records, deposit market share data, and governmental websites regarding the economic characteristics of the bank's AAs. We also took into consideration information derived from community contacts conducted during the evaluation.

Prior to the examination, we tested the accuracy of the bank's reported Home Mortgage Disclosure Act (HMDA) data and bank data related to small loans to businesses. During the examination, we reviewed CD loans, investments, and services to ensure that they meet the regulatory definition of CD. Some data errors were identified and corrected. This evaluation is based on corrected data and qualified CD activities.

## **Description of Institution**

FNB is a full-service intrastate community bank headquartered in Canfield, Ohio. FNB is a wholly owned subsidiary of Farmers National Banc Corp, a one-bank holding company also headquartered in Canfield, Ohio. Farmers National Banc Corp also owns three non-banking affiliates that include a trust company, insurance agency, and retirement planning agency. According to the June 30, 2013 Report of Condition and Income, FNB had total assets of \$1.111 billion. The bank's assets equaled \$1.128 billion and \$1.065 billion in 2010 and 2011, respectively.

FNB offers traditional loan products, which include home mortgage, consumer, commercial real estate, and commercial loans. As of June 30, 2012, commercial real estate loans comprised 32 percent of FNB's loan portfolio. The remainder of the loan portfolio consists of 24 percent home loans, 22 percent consumer loans, 12 percent commercial loans, 6 percent farm and other loans, and 4 percent home equity lines of credit. FNB started selling home loans to the secondary market from its Stark County branch when it was opened in 2011. Based on FNB's 2011HMDA loan application registrar, the bank sold approximately \$6 million of home loans in 2011.

The bank's consumer deposit related products and services include checking, savings, money market accounts, certificates of deposit, individual retirement accounts, online banking, mobile banking, telephone banking, night deposit, and safe deposit. Business related products and services include checking, business money market accounts, sweep accounts, treasury management services, cash management services, remote

deposit capture, and online banking. Wealth management services are directed to FNB's affiliates.

FNB operated 18 full-service branch offices, which includes one full-service branch office located in the bank's main office. The bank also operated one stand-alone drive through facility. The 18 branch offices and stand-alone drive through facility are located in Mahoning, Trumbull, and Columbiana Counties, which composes the bank's two primary AAs. In June 2011, FNB opened a new full-service branch office in Stark County, increasing its branch network to 19 and the number of the bank's AAs. Of the 19 full-service branch offices, 17 have automated teller machines (ATMs) and 16 offer drive-through services. The drive-through areas at the 16 full-service branch offices and the stand-alone drive through facility are open extended hours Monday through Friday and open Saturday mornings until noon. As of the review period, FNB had not closed any branch offices since the prior CRA examination.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves. FNB received a rating of "Satisfactory" at the previous CRA examination, dated September 29, 2009.

## **Description of Assessment Areas**

FNB had two AAs prior to June 2011. The two AAs include portions of Mahoning and Trumbull Counties and a portion of Columbiana County. FNB increased its AAs to three in June 2011 when it opened an office in Canton, Ohio, and delineated a portion of Stark County as one of its AAs. Stark County is part of the Canton-Massillon, OH Metropolitan Statistical Area (MSA). Each of the AAs meets the requirements of the CRA. They consist of contiguous geographies. Low- and moderate-income areas are not arbitrarily excluded. As stated in the *Scope of Examination* section, we did not evaluate the bank's performance in Stark County, as the addition of this AA occurred later in the review period. The Mahoning and Trumbull Counties and Columbiana County AAs are described below.

### Mahoning and Trumbull Counties

Mahoning and Trumbull Counties are part of the Youngstown-Warren-Boardman OH-PA, MSA. The MSA is comprised of Mahoning and Trumbull Counties in Ohio and Mercer County in Pennsylvania. FNB's AA within this MSA consists of portions of Mahoning and Trumbull Counties. The AA consists of 79 census-tracts (CTs), which include three low-income, 12 moderate-income, 48 middle-income, and 16 upper-income CTs.

According to 2000 US Census data, the combined population of the AA equated to 327,490 persons, comprising 90,268 families and 132,518 households. The Department of Housing and Urban Development's (HUD) updated median family income (MFI) for the AA is \$54,900. Based on this information, 16.28 percent of the families in the AA are low-income, 17.98 percent are moderate-income, 22.72 percent

are middle-income, and 43.02 percent are upper-income. In addition, demographics also indicate that 9.49 percent of the households are below poverty level, with 2.82 percent relying on public assistance. The 2000 US Census data further reflected there were 141,499 housing units in the AA. Of these housing units, 69 percent were owner occupied, 25 percent were rental units, and 6 percent were vacant. The median home value was \$88,181.

A majority of businesses in the AA are small as measured by the number of employees and gross revenues. According to 2011 Dun and Bradstreet data, 66.30 percent of non-farm businesses located in the AA have less than \$1 million in gross annual revenues, and 60.60 percent of businesses have fewer than five employees. Only 1.34 percent of businesses are headquartered in the AA, and 91.79 percent operate from a single location. The five largest employers within the AA include HM Health Partners, General Motors, Valley Care Health System, Youngstown Air Reserve Base, and Sharon Regional Health System.

The economy of the AA has experienced challenges since the recession with high unemployment and a decreasing population. Unemployment levels in 2010 totaled 11.3 percent and decreased to 9.4 percent in 2011. The State of Ohio unemployment rates during 2010 and 2011 equated to 10.0 and 8.7 percent, respectively. As of 2012, the unemployment rate within the AA reduced to 8.0 percent. The resurgence of the area is due to growth in retail, healthcare, and education, as well as improvement in automotive manufacturing.

Competition within the Mahoning and Trumbull Counties AA is high. According to June 30, 2012 FDIC deposit market share data, there are 19 financial institutions with 196 offices serving the MSA, which does not include credit unions or other financial organizations. This data indicates that FNB is ranked sixth in terms of deposit market share, holding 8.11 percent of the total deposits. According to 2011 peer mortgage data, FNB is ranked ninth out of 213 institutions lending within the AA with a 2.23 percent share of the market. The top five lenders include four large banks and one credit union, which held a combined market share of 50.16 percent.

### Columbiana County

Columbiana County is not part of a MSA. FNB's AA within Columbiana County only includes a portion of the county. The AA consists of 10 CTs, which includes no low- or moderate-income CTs, nine middle-income CTs, and one upper-income CT.

According to 2000 US Census data, the combined population of the AA equated to 50,463 persons, comprising 14,330 families and 19,902 households. The Department of HUD updated MFI for the AA is \$52,900. Based on this information, 16.88 percent of the families in the AA are low-income, 19.33 percent are moderate-income, 25.02 percent are middle-income, and 38.77 percent are upper-income. In addition, demographics also indicate that 7.73 percent of the households are below poverty level with 2.17 percent relying on public assistance. The 2000 US Census data further reflected there were 19,902 housing units in the AA. Of these housing units, 72 percent

were owner occupied, 22 percent were rental units, and 6 percent were vacant. The median home value was \$87,916.

A majority of businesses in the AA are small based on the number of employees and gross revenues. According to the 2011 Dun and Bradstreet data, 69.53 percent of non-farm businesses located in the AA have less than \$1 million in gross annual revenues, and 64.45 percent of businesses have fewer than five employees. Only 1.05 percent of businesses are headquartered in the AA, and 92.73 percent operate from a single location. Economic conditions within this AA are similar to FNB's primary AA. Unemployment trends in the AA improved during the review period. However, unemployment remains high. As of year-end 2010, unemployment was at 11.1 percent and declined to 8.5 percent as of year-end 2011. The five largest employers within Columbiana County include American Standard Incorporated, Columbiana County, East Liverpool City Hospital, Carriage Hill Foods, and Hall China Company.

Competition within the Columbiana AA is high. According to June 30, 2012 FDIC deposit market share data, there are 11 financial institutions with 44 offices serving the county, which does not include credit unions or other financial organizations. This data indicates that FNB is ranked third in terms of deposit market share, holding 10.03 percent of the total deposits. According to 2011 peer mortgage data, FNB is ranked eighth among the institutions lending within the AA, with a 3.42 percent market share. The top five lenders are five large banks, which held a combined market share of 55.99 percent.

### **Community Contacts**

We conducted four community contacts during the evaluation to determine the credit and community needs of the bank's AAs. Two of the four contacts serve Mahoning County with a purpose or mission of providing access to affordable housing and social services, such as job training, financial counseling, and youth after school programs. The community contact serving Trumbull County provides social services, such as meals to individuals who are homebound and have limited mobility. The community contact serving Columbiana County has a purpose or mission of providing access to affordable housing and financial counseling.

Based on our community contact information, there have been opportunities to make qualifying CD loans and investments, as well as conduct CD services within the AAs. The contacts located in Mahoning County indicated the primary needs are grants and funding for operations support, low cost and flexible mortgage products, and funding for financial literacy and homeownership classes. The needs within Trumbull County include funding for expansion of the contact's operations, operating funds, and board representation. The community contact serving Columbiana County stated there is a need for board or committee members, experienced people to provide guidance and oversight of the organization's compliance with new regulatory requirements, and providing assistance for financial coaching. All four community contacts recognized FNB as being a good partner. One of the contacts identified FNB as being the most

responsive of all the banks the organization has worked with. Another stated that FNB is truly committed to the community.

## Conclusions with Respect to Performance Tests

### LENDING TEST

Overall, the bank’s record of lending within the AAs meets the standard for satisfactory performance.

#### Loan-to-Deposit Ratio

The bank’s Loan-to-Deposit (LTD) ratio is reasonable. We evaluated the bank’s LTD ratio for the quarterly periods between October 1, 2009 and June 30, 2013. FNB’s average LTD ratio during this period was 70.14 percent, with quarterly ratios ranging from a low of 62.85 percent to a high of 79.30 percent. FNB’s LTD ratio has been affected by an influx in deposits stemming from shale oil and gas contracts within the area. This brought approximately \$65 million of new deposits in 2012. There was one similarly situated institution with assets exceeding \$500 million within the AAs. As a comparison, FNB outperformed the one institution, which had an average LTD ratio of 66.97 percent.

#### Lending in Assessment Area

FNB’s record of lending in the AAs meets the standard for satisfactory performance. FNB originated a majority of its home mortgage and small loans to businesses inside the AAs. As shown in Table 1 below, the bank originated 82.79 percent of the number of home mortgage loans within the AAs (78.72 percent of the dollar amount). Additionally, FNB originated 83.51 percent of the number of small loans to businesses within the AAs (76.80 percent of the dollar amount).

| Loan Type                 | Number of Loans |       |         |       | Total | Dollars of Loans |       |         |       | Total   |
|---------------------------|-----------------|-------|---------|-------|-------|------------------|-------|---------|-------|---------|
|                           | Inside          |       | Outside |       |       | Inside           |       | Outside |       |         |
|                           | #               | %     | #       | %     |       | \$               | %     | \$      | %     |         |
| Home Mortgage             | 510             | 82.79 | 106     | 17.21 | 616   | 44,524           | 78.72 | 12,034  | 21.28 | 56,558  |
| Small Loans to Businesses | 314             | 83.51 | 62      | 16.49 | 376   | 42,044           | 76.80 | 12,700  | 23.20 | 54,744  |
| Totals                    | 824             | 83.06 | 168     | 16.94 | 992   | 86,568           | 77.78 | 24,734  | 22.22 | 111,302 |

Source: Bank generated reports; Data reported under HMDA for 2010 and 2011.

#### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

FNB’s distribution of loans to borrowers of different incomes and businesses of different sizes meets the standard for satisfactory performance.

In evaluating the borrower distribution of home mortgage loans, we considered the number of households that live below the poverty level and the barriers that this may have on home ownership. It is especially difficult for this segment of the low-income population to afford and maintain a home, which has an impact on the bank's opportunity to lend to the low-income population of the community.

Mahoning and Trumbull Counties

The overall borrower distribution of home mortgage loans demonstrates excellent penetration among borrowers of different incomes within the Mahoning and Trumbull Counties AA. FNB originated 148 home purchase loans, 90 home improvement loans, and 178 home refinance loans in this AA. As shown in Table 2, the percentage of home purchase and home improvement loans originated by FNB exceeded the percentage of low-income families. The percentage of home refinance loans originated by FNB is somewhat below the percentage of low-income families within the AA. However, the percentage of home refinance loans does exceed the percentage of low-income families living above the poverty level within the AA. In addition, the percentage of all home mortgage loans originated by the bank exceeded the percentage of moderate-income families within the AA.

| Borrower Income Level | Low              |                      | Moderate         |                      | Middle           |                      | Upper            |                      |
|-----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Loan Type             | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Purchase         | 16.28            | 17.57                | 17.98            | 17.57                | 22.72            | 16.22                | 43.02            | 33.11                |
| Home Improvement      | 16.28            | 18.89                | 17.98            | 23.33                | 22.72            | 20.00                | 43.02            | 31.11                |
| Refinancing           | 16.28            | 11.24                | 17.98            | 19.66                | 22.72            | 27.53                | 43.02            | 32.02                |
| Totals                | 16.28            | 15.14                | 17.98            | 19.71                | 22.72            | 21.88                | 43.02            | 32.21                |

*Source: Combined HMDA data reported in 2010 and 2011; 2000 U.S. Census data. 9.49 percent of households are reported as being below poverty.*

Though the bank's activity is somewhat lower than demographics, it represents reasonable penetration among businesses of different sizes given the level of competition and the economic conditions within the AA. As shown in Table 3, the percentage of non-farm businesses with revenues of less than or equal to \$1 million within the AA is 66.30 percent. Based on the bank's small business reporting, the bank originated 55.56 percent of their loans to these businesses.

| Business Revenues (or Sales) | ≤\$1,000,000 | >\$1,000,000 | Unavailable/Unknown | Total  |
|------------------------------|--------------|--------------|---------------------|--------|
| % of AA Businesses           | 66.30        | 3.21         | 30.49               | 100.00 |
| % of Bank Loans in AA by #   | 55.56        | 42.39        | 2.05                | 100.00 |
| % of Bank Loans in AA by \$  | 38.68        | 59.41        | 1.91                | 100.00 |

*Source: 2010 and 2011 FNB small business loan reports; 2011 Dun and Bradstreet data.*



Columbiana County

The overall borrower distribution of home mortgage loans is reasonable in the Columbiana County AA. As shown in Table 4, the percentage of home improvement loans originated by the bank exceeds the percentage of low-income families. The percentage of home purchase and home refinance loans originated by FNB is somewhat below the percentage of low-income families living within the AA. However, the percentage of the bank’s home purchase and home refinance loans is above the percentage of low-income families living above the poverty level. The percentage of all home mortgage loans originated by the bank exceeded the percentage of moderate-income families within the AA.

| <b>Table 4 - Borrower Distribution of Residential Real Estate Loans in Columbiana County</b> |                  |                      |                  |                      |                  |                      |                  |                      |
|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level  | Low              |                      | Moderate         |                      | Middle           |                      | Upper            |                      |
| Loan Type  | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Purchase  | 16.88            | 12.50                | 19.33            | 25.00                | 25.02            | 16.67                | 38.77            | 33.33                |
| Home Improvement   | 16.88            | 18.18                | 19.33            | 36.36                | 25.02            | 18.18                | 38.77            | 18.18                |
| Refinancing  | 16.88            | 16.67                | 19.33            | 22.92                | 25.02            | 14.58                | 38.77            | 43.75                |
| TOTAL  | 16.88            | 15.96                | 19.33            | 26.60                | 25.02            | 15.96                | 38.77            | 35.11                |

Source: Combined HMDA data reported in 2010 and 2011; 2000 US Census data. Note: 7.73 percent of households are reported as being below poverty level.

The distribution of business loans reflects excellent penetration among businesses of different sizes. As shown in Table 5, the percentage of loans made to small businesses in the AA exceeds the percentage of area non-farm businesses having gross annual revenues less than or equal to \$1 million.

| <b>Table 5 - Borrower Distribution of Loans to Businesses in Columbiana County</b> |              |              |                     |        |
|--|--------------|--------------|---------------------|--------|
| Business Revenues (or Sales)   | ≤\$1,000,000 | >\$1,000,000 | Unavailable/Unknown | Total  |
| % of AA Businesses   | 69.53        | 3.41         | 27.06               | 100.00 |
| % of Bank Loans in AA by #   | 88.73        | 11.27        | 0.00                | 100.00 |
| % of Bank Loans in AA by \$  | 45.83        | 54.17        | 0.00                | 100.00 |

Source: 2010 and 2011 FNB small business loan reports; 2011 Dun and Bradstreet data.

**Geographic Distribution of Loans**

The overall geographic distribution of loans meets the standard for satisfactory performance. To establish our conclusion, we considered the bank’s limited ability to lend within low- and moderate-income CTs given the geographic structure of the AAs, as well as the percentage of housing units within these CTs, competition, and economic conditions.

Mahoning and Trumbull Counties

Home mortgage lending reflects a poor dispersion throughout the AA. As shown in Table 6, the bank’s percentage of all home loans originated in low- or moderate-income tracts of the AA is less than the percentage of owner-occupied housing. However, as stated previously, most owner-occupied housing units within the AA are located in middle- and upper-income tracts. Additionally, the AA is comprised of mostly middle- and upper-income tracts. These factors coupled with competition and economic conditions hampered the bank’s ability to lend within the low- and moderate-income CT of the AA. Despite the limited lending within low- and moderate-income CT, the analysis reflects lending occurred in most tracts of the AA.

| <b>Table 6 - Geographic Distribution of Residential Real Estate Loans in Mahoning and Trumbull Counties</b> |                                |                      |                                |                      |                                |                      |                                |                      |
|---|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|
| Census Tract Income Level   | Low                            |                      | Moderate                       |                      | Middle                         |                      | Upper                          |                      |
| Loan type   | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans |
| Home Purchase   | .48                            | .68                  | 8.53                           | .68                  | 63.03                          | 59.46                | 27.96                          | 39.19                |
| Home Improvement  | .48                            | 0.00                 | 8.53                           | 2.22                 | 63.03                          | 62.22                | 27.96                          | 35.56                |
| Refinancing   | .48                            | 0.00                 | 8.53                           | .56                  | 63.03                          | 58.99                | 27.96                          | 40.45                |
| TOTAL   | .48                            | .24                  | 8.53                           | .96                  | 63.03                          | 59.86                | 27.96                          | 38.94                |

Source: 2010 and 2011 combined HMDA data; 2000 U.S. Census data.

The distribution of business loans among geographies of different income levels reflects excellent dispersion throughout the AA. As shown in Table 7, the percentage of business loans in low-income and moderate-income areas exceeds the percentages of non-farm businesses located in those segments of the AA.

| <b>Table 7 - Geographic Distribution of Loans to Businesses in Mahoning and Trumbull Counties</b> |                    |                      |                    |                      |                    |                      |                    |                      |
|---|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Census Tract Income Level   | Low                |                      | Moderate           |                      | Middle             |                      | Upper              |                      |
| Loan Type   | % of AA Businesses | % of Number of Loans | % of AA Businesses | % of Number of Loans | % of AA Businesses | % of Number of Loans | % of AA Businesses | % of Number of Loans |
| Small Loans to Businesses   | 2.12               | 2.43                 | 7.36               | 8.10                 | 54.11              | 40.08                | 36.41              | 49.39                |

Source: 2010 and 2011 FNB small business loan report; 2011 Dun and Bradstreet data.

Columbiana County

The bank’s Columbiana County AA does not include any low- or moderate-income CTs. As such, a geographic distribution analysis of the bank’s lending activity within this AA was not performed because the analysis would not be meaningful.

## **Responses to Complaints**

FNB has not received any written complaints during the evaluation period related to its performance in meeting the credit and deposit needs of the AAs.

## **COMMUNITY DEVELOPMENT TEST**

The bank's community development (CD) performance reflects satisfactory responsiveness in meeting the CD lending, investments, and service needs of its AAs.

### **Number and Amount of Community Development Loans**

#### Mahoning and Trumbull Counties

The bank originated one qualifying CD loan totaling \$400,000 to an organization serving Mahoning and Trumbull Counties. The objective of the organization is to address the needs of low- and moderate-income women and children by providing transitional housing, education, and career preparation programs.

The bank originated two qualifying CD loans to organizations serving the Trumbull County area. One CD loan totaling \$125,000 was made to an organization whose primary purpose is providing affordable housing to low- and moderate-income individuals. The other CD loan totaling \$91,000 was made to an organization that delivers meals to low- and moderate-income, disabled, and elderly individuals.

#### Mahoning, Trumbull and Columbiana Counties

The bank originated four qualifying CD loans totaling \$249,000 to an organization that provides economic development loans to employee owned or co-operatives throughout the State of Ohio. The organization's goals are to enhance housing and employment opportunities for low-income and disenfranchised people, as well as job creation and retention.

### **Number and Amount of Qualified Investments**

#### Mahoning, Trumbull and Columbiana Counties

The bank provided several qualifying CD in-kind donations totaling \$111,000 to community organizations located throughout the AAs during the review period. The donations benefitted CD initiatives for affordable housing, social services for low- and moderate-income individuals, and economic revitalization throughout the AAs. Examples of those donations are detailed below.

- In 2010, the bank donated \$5,000 to an organization that provides low- and moderate-income students access to higher education. In addition, the bank donated \$5,000 to an entity providing affordable housing.

- In 2011, the bank donated a foreclosed home worth \$11,000 to an organization that provides affordable housing. The organization sold the home to an investor and used the funds to provide a newer affordable home to a low-income family. The bank also donated \$5,000 to an entity for affordable housing.
- In 2012, the bank donated \$5,000 to an organization for affordable housing. Additionally, the bank donated funds to a service organization providing financial literacy education to low- and moderate-income individuals and families.
- In 2013, the bank donated funds to a foundation that provides scholarship support for students of low- and moderate-income families.

### **Extent to Which the Bank Provides Community Development Services**

The bank's CD services performance over the evaluation period reflects a reasonable level of responsiveness to CD service needs.

FNB offers a full range of consumer and commercial banking products and services throughout all of its branch offices. Additionally, the distribution of the bank's branches throughout the AA offers accessibility to the bank's financial services to low- and moderate-income individuals, as well as businesses located throughout the AA. As of the period of evaluation, the bank had one full-service branch office and one full-service ATM located in moderate-income tracts. There are no significant variations in branch hours of operation, with most branch offices open Monday through Saturday.

During the evaluation period, bank employees were involved with organizations or programs that provide financial services or education to low- and moderate-income individuals or families. In addition, bank employees also served on the board or advisory committees of organizations that provide services to low- and moderate-income individuals or families. Some examples of CD services are detailed below.

- Three employees serve on boards of local organizations that support economic development. These organizations promote the development of new businesses and assist employers with hiring needs.
- Two employees are board members and another employee is the executive secretary of an organization providing outpatient services for families regardless of their ability to pay. The organization also provide therapeutic, educational, and support services.
- Three employees provided financial literacy education to low- and moderate-income families and students.

- Two employees serve on boards of organizations that provide social services, such as family support, shelter and emergency services, childcare services, and affordable housing to low- and moderate-income families.

### **Responsiveness to Community Development Needs**

The bank's CD performance is satisfactory. Responsiveness to CD needs of the AAs through CD loans, qualified investments, and qualified services is reasonable.

### **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.