



## **PUBLIC DISCLOSURE**

March 18, 2019

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The First National Bank of McConnellsville  
Charter Number 46

86 North Kennebec Avenue  
McConnellsville, OH 43756

Office of the Comptroller of the Currency

Central Ohio Field Office  
655 Metro Place South, Suite 625  
Dublin, OH 43017

**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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**The Lending Test is rated: Satisfactory.**

- The First National Bank of McConnellsville (FNB or the bank) makes a majority of its loans inside its assessment area (AA).
- The bank's quarterly average loan-to-deposit (LTD) ratio is reasonable.
- Lending to borrowers of different income levels reflects reasonable distribution.
- Geographic distribution of lending reflects excellent distribution.

## 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 Metropolitan Area (MA)/AA.

**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 areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 (CD):** 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the community development needs of its AA(s).

**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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), 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 refinancing, 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 a 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/AA.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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 Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the Central County or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties 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 a 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 a 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 examination. 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) 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 1 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 a geography.

## Description of Institution

The First National Bank (FNB or bank) of McConnellsville is a wholly owned subsidiary of a one-bank holding company, FNB Shares. Both FNB and its holding company are headquartered in McConnellsville, OH. FNB is an intrastate bank with six banking offices located in Morgan, Athens, and Perry Counties. Offices are located in the towns of McConnellsville and Stockport (Morgan County), Athens, Glouster, and Nelsonville (Athens County), and Junction City (Perry County). Since the last CRA evaluation, the bank closed one office in Chesterhill in November 2013. The bank has a total of seven automated teller machines (ATM), including one at each branch location and one offsite ATM not associated with a branch in Chesterhill. FNB did not have any merger or acquisition activity during the evaluation period. We did not consider any affiliate activity during this review. FNB offers traditional loan and deposit products with a focus on 1-4 family mortgage loans and consumer lending.

The bank has two designated AAs. At the prior review, the bank had a single AA, but since Perry and Hocking County are now considered part of the Columbus, OH MSA #18140, we considered the MSA as a separate AA. As of 2017, this MSA AA includes one moderate income census tract (CT) in Hocking County (9655) and one low-income CT in Perry County (9663). While the bank does not have a branch in Hocking County, management elected to include the 9655 CT in their AA as the Nelsonville branch is located near the border of Athens and Hocking Counties. The second AA is a non-MSA that as of 2017, consisted of all four CTs in Morgan County (two moderate income CTs 9689 and 9690, and two middle income CTs 9688 and 9691) and four CTs in the northwest portions of Athens County (two moderate income CTs 9728 and 9727, and two middle income CTs 9726 and 9734). The bank has two branches in the moderate income CTs 9691 and 9689 in Morgan County, one branch in the middle income CT 9728 in Athens County, and two branches in the moderate income CTs 9734 and 9726 in Athens County. The AA does not reflect illegal discrimination, nor does it arbitrarily exclude any low-or moderate income areas.

As of December 31, 2018, the bank reported total assets of \$145.2 million with tier 1 capital of \$10.6 million. Net loans and leases account for 55.7 percent of average assets. Residential real estate represents the majority of the bank's lending with 66.7 percent of total loans. The remainder of the loan portfolio is comprised of commercial loans (24.7 percent), consumer loans (7.7 percent), and other loans (less than 1.0 percent).

The previous CRA evaluation was conducted as of August 5, 2013, and resulted in a Satisfactory rating. There are no legal or financial impediments to FNB's ability to meet the credit needs of its community.



## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We conducted a full-scope CRA evaluation to assess the bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas. We used small bank CRA evaluation procedures to assess the bank's performance. We completed a lending test analysis for 2015, 2016, and 2017 (lending evaluation period). Primary lending products include residential real estate loans, specifically home mortgage lending. For analysis purposes, we used the 2010 U.S. Census data for loans originated and purchased in 2015 and 2016 and the 2015 American Community Survey (ACS) Census data for loans originated and purchased in 2017.

### **Data Integrity**

The bank is a HMDA reporter. We completed an initial target data integrity examination in October 2018, and completed additional testing in February and March 2019. We determined the HMDA data was reliable for the purposes of the CRA evaluation.

### **Selection of Areas for Full-Scope Review**

We completed a full-scope review of both of the bank's AAs, including the non-MSA AA and the MSA AA described within the Description of Institution section of this report.

### **Ratings**

The bank's overall rating is based on the review of the non-MSA AA and MSA AA. We placed more weight on the non-MSA AA given that is where the majority of the bank's lending occurred.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this bank has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this bank engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the bank's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Tests

### LENDING TEST

FNB's lending performance is satisfactory.

#### Loan-to-Deposit Ratio

FNB's quarterly average LTD ratio is reasonable given its size, financial condition, and AA credit needs. The bank's quarterly average LTD ratio over the 22 quarters since the prior CRA evaluation (September 2013 to December 2018) was 64.1 percent. The ratio ranged from a high of 67.0 percent at September 30, 2013, to a low of 61.7 percent at June 30, 2018. We compared FNB's average LTD ratio to local competitors, which included banks with branches in the AA with total assets less than \$270 million. FNB's quarterly average LTD ratio is below the peer aggregate of 77.5 percent, but remains satisfactory.

#### Lending in Assessment Area

FNB's lending in the AAs is satisfactory. FNB originated the majority of its home mortgage loans inside its AA.

Refer to Table 1 below for the number and dollar volume of loans originated or purchased inside and outside the combined AAs per year.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2015	50	65.8	26	34.2	76	4,156	55.7	3,301	44.3	7,457
2016	68	73.1	25	26.9	93	5,378	59.4	3,683	40.6	9,061
2017	87	76.3	27	23.7	114	7,958	54.9	6,527	45.1	14,485
<b>Subtotal</b>	<b>205</b>	<b>72.4</b>	<b>78</b>	<b>27.6</b>	<b>283</b>	<b>17,492</b>	<b>56.4</b>	<b>13,511</b>	<b>43.6</b>	<b>31,003</b>
<small>Source: Evaluation Period: 1/1/2015 - 12/31/2017 Bank Data            Due to rounding, totals may not equal 100.0</small>										

#### Lending to Borrowers of Different Incomes

Lending to borrowers of different incomes reflects reasonable distribution. The bank's home mortgage lending to low- and moderate-income borrowers is reasonable.

Refer to Table P in Appendix C and the community profiles in Appendix B for the facts and data used to evaluate the borrower distribution of the bank's loan originations and purchases.

### Non-MSA AA

The bank's home mortgage lending to low- and moderate-income borrowers in 2015 and 2016 is reasonable. The bank's lending to low- and moderate-income borrowers is below the percentage of home mortgage loans of other home mortgage lenders (aggregate HMDA data), but is overall reasonable.

The bank's home mortgage lending to low- and moderate-income borrowers in 2017 is reasonable. FNB's lending to low-income borrowers is excellent as it is above aggregate lending data. FNB's lending to moderate-income borrowers is poor, as it is significantly below aggregate lending data. We noted that the 20.5 percent poverty rate for families below the poverty level may limit lending opportunities, as residents of limited income may encounter difficulty meeting credit underwriting standards. Approximately 25.1 percent of the total housing units in the AA are occupied rental units. We also considered the median housing value in the non-MSA of \$87,454 relative to the median family income of \$56,217, which may demonstrate a barrier to homeownership.

### Columbus MSA AA

The bank's home mortgage lending to low- and moderate-income borrowers in 2015 and 2016 is reasonable. The bank only originated nine loans in 2015-2016 in the MSA AA. FNB's lending to low-income borrowers is poor, as it is significantly below aggregate lending data. We noted that the 13.2 percent poverty rate for families below the poverty level may limit lending opportunities, as residents of limited income may encounter difficulty meeting credit underwriting standards. In addition, 19.1 percent of the total housing units in the AA are occupied rental units. We also considered the median price of housing in the MSA AA of \$81,098 relative to the median family income of \$64,914, which may demonstrate a barrier to homeownership. FNB's lending to moderate-income borrowers is excellent as it is well above aggregate lending data.

The bank's home mortgage lending to low- and moderate-income borrowers in 2017 is reasonable. The bank only originated ten loans in 2017 in the MSA AA. The bank's lending to low- and moderate-income borrowers is below aggregate lending data, but is considered overall reasonable. Although below the aggregate lending data, the bank's lending is in line with the percentage of moderate-income families.

### **Geographic Distribution of Loans**

FNB's geographic distribution of loans reflects overall excellent distribution. FNB made the majority of its loans in the non-MSA AA. There are no upper-income CT's in either AA. Both AAs had CT income-level changes in 2017.

Refer to the data in Table O in Appendix C and the community profiles in Appendix B for the facts and data used to evaluate the geographic distribution of the bank's loan originations and purchases.

### Non-MSA AA

The 2015 and 2016 non-MSA AA consisted of five moderate-income CTs and three middle-income CTs. The bank's geographic distribution of lending in 2015 and 2016 in moderate-income CTs is above the aggregate lending data, reflecting excellent distribution.

In 2017, CT 9690, 9728, and 9727 were re-designated from moderate-income CTs to middle-income CTs, and CT 9734 changed from a middle-income CT to a moderate-income CT. Therefore, the 2017 non-MSA AA consisted of four moderate-income CTs and four middle-income CTs. The bank's geographic distribution of lending in 2017 in moderate-income CTs is above the aggregate lending data, reflecting excellent distribution.

### Columbus MSA AA

The 2015 and 2016 MSA AA consisted of two moderate-income CTs. The bank's geographic distribution of lending in 2015 and 2016 in moderate-income CTs aligns with aggregate lending data, reflecting reasonable distribution.

In 2017, CT 9663 in Perry County was re-designated from a moderate-income CT to a low-income CT. Therefore, in 2017, the MSA AA consisted of one low-income CT and one moderate-income CT. The bank's geographic distribution of lending in low-income CTs exceeds aggregate lending data, reflecting excellent distribution. The bank's geographic distribution of lending in moderate-income CTs is slightly below aggregate lending data, reflecting reasonable distribution.

## **Responses to Complaints**

FNB has not received any complaints about its performance in helping to meet the credit needs of its AA during the lending evaluation period.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test: 01/01/2015 – 12/31/2017	
<b>Financial Institution</b>		<b>Products Reviewed</b>
First National Bank of McConnelsville (FNB) McConnelsville, Ohio		Home Mortgage Loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None reviewed		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
State of Ohio		
MSA (Columbus, OH) #18140 Hocking and Perry Counties	Full-Scope	The AA includes census tracts 9655 and 9663.
Non-MSA Athens and Morgan Counties	Full-Scope	The AA includes census tracts 9688, 9689, 9690, 9691, 9726, 9727, 9728, and 9734.

## Appendix B: Community Profiles for Full-Scope Areas

Morgan and Athens County AA (Non-MSA AA)

Table A – Demographic Information of the Assessment Area Assessment Area: FNB McConnellsville Non MSA AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	62.5	37.5	0.0	0.0
Population by Geography	31,365	0.0	64.5	35.5	0.0	0.0
Housing Units by Geography	15,332	0.0	64.9	35.1	0.0	0.0
Owner-Occupied Units by Geography	8,798	0.0	62.6	37.4	0.0	0.0
Occupied Rental Units by Geography	3,767	0.0	69.5	30.5	0.0	0.0
Vacant Units by Geography	2,767	0.0	66.0	34.0	0.0	0.0
Businesses by Geography	1,434	0.0	64.6	35.4	0.0	0.0
Farms by Geography	114	0.0	65.8	34.2	0.0	0.0
Family Distribution by Income Level	8,184	30.9	21.9	21.9	25.3	0.0
Household Distribution by Income Level	12,565	35.3	18.1	17.4	29.2	0.0
Median Family Income Non-MSAs - OH		\$52,573	Median Housing Value			\$81,423
			Median Gross Rent			\$541
			Families Below Poverty Level			19.4%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

**Table A – Demographic Information of the Assessment Area**  
**Assessment Area: FNB McConnellsville Non-MSA AA 2017**

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	8	0.0	50.0	50.0	0.0	0.0
Population by Geography	31,342	0.0	49.6	50.4	0.0	0.0
Housing Units by Geography	15,087	0.0	50.0	50.0	0.0	0.0
Owner-Occupied Units by Geography	8,403	0.0	48.7	51.3	0.0	0.0
Occupied Rental Units by Geography	3,782	0.0	52.9	47.1	0.0	0.0
Vacant Units by Geography	2,902	0.0	49.9	50.1	0.0	0.0
Businesses by Geography	1,443	0.0	55.6	44.4	0.0	0.0
Farms by Geography	123	0.0	43.1	56.9	0.0	0.0
Family Distribution by Income Level	8,128	29.8	19.2	20.7	30.3	0.0
Household Distribution by Income Level	12,185	33.9	18.4	15.4	32.3	0.0
Median Family Income Non-MSAs - OH		\$56,217	Median Housing Value			\$87,454
			Median Gross Rent			\$605
			Families Below Poverty Level			20.5%

*Source: 2015 ACS Census and 2017 D&B Data*

*Due to rounding, totals may not equal 100.0*

*(\*) The NA category consists of geographies that have not been assigned an income classification.*



Hocking and Perry County AA (MSA AA)

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: FNB McConnelsville MSA AA 2016</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	2	0.0	100.0	0.0	0.0	0.0
Population by Geography	10,436	0.0	100.0	0.0	0.0	0.0
Housing Units by Geography	3,918	0.0	100.0	0.0	0.0	0.0
Owner-Occupied Units by Geography	2,686	0.0	100.0	0.0	0.0	0.0
Occupied Rental Units by Geography	748	0.0	100.0	0.0	0.0	0.0
Vacant Units by Geography	484	0.0	100.0	0.0	0.0	0.0
Businesses by Geography	266	0.0	100.0	0.0	0.0	0.0
Farms by Geography	19	0.0	100.0	0.0	0.0	0.0
Family Distribution by Income Level	2,360	29.3	26.4	27.9	16.4	0.0
Household Distribution by Income Level	3,434	33.0	21.3	21.3	24.5	0.0
Median Family Income MSA - 18140 Columbus, OH MSA		\$64,914	Median Housing Value			\$81,098
			Median Gross Rent			\$540
			Families Below Poverty Level			13.2%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

**Table A – Demographic Information of the Assessment Area  
Assessment Area: FNB McConnelsville MSA AA 2017**

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	2	50.0	50.0	0.0	0.0	0.0
Population by Geography	10,770	60.1	39.9	0.0	0.0	0.0
Housing Units by Geography	4,418	63.6	36.4	0.0	0.0	0.0
Owner-Occupied Units by Geography	2,993	61.2	38.8	0.0	0.0	0.0
Occupied Rental Units by Geography	862	71.5	28.5	0.0	0.0	0.0
Vacant Units by Geography	563	63.9	36.1	0.0	0.0	0.0
Businesses by Geography	254	56.3	43.7	0.0	0.0	0.0
Farms by Geography	22	63.6	36.4	0.0	0.0	0.0
Family Distribution by Income Level	2,880	45.9	20.9	19.1	14.2	0.0
Household Distribution by Income Level	3,855	38.5	22.0	18.9	20.6	0.0
Median Family Income MSA - 18140 Columbus, OH MSA		\$70,454	Median Housing Value			\$79,535
			Median Gross Rent			\$628
			Families Below Poverty Level			21.8%

*Source: 2015 ACS Census and 2017 D&B Data*

*Due to rounding, totals may not equal 100.0*

*(\* The NA category consists of geographies that have not been assigned an income classification.*

Competition in both AAs is strong. Competition is comprised of national banks, savings associations, and branches of other financial institutions. Competitors include JP Morgan Chase, The Hocking Valley Bank, The Citizens National Bank of McConnelsville, Park National Bank, PNC Bank, etc. According to the June 30, 2018 Deposit Market Share Report from the Federal Deposit Insurance Corporation (FDIC), FNB has 13.3 percent of the total market between Athens and Morgan County and is ranked 3<sup>rd</sup> out of 11 institutions. In Perry County, FNB has 3.3 percent of the market and is ranked 8<sup>th</sup> out of 9 institutions.

Morgan County had an unemployment rate of 10.1 percent as of January 2019. Athens County had an unemployment rate of 7.1 percent and Perry County had an unemployment rate of 7.4 percent. All three Counties are above the national unemployment rate of 4.0 percent and the Ohio state unemployment rate of 4.7 percent. Major employers in the bank's lending area include Ohio University, Ohio Health, Gilster – Mary Lee Corporation, TG Missouri Corporation, Hann Manufacturing, and MAHLE International.

We conducted interviews with representatives from local affordable housing organizations as part of this CRA evaluation. Local financial institutions are adequately meeting the credit and community development needs of the community.

Community contacts indicated that the non-MSA AA used to be heavy in salt, coal, and forestry, however these activities have dwindled. Agriculture continues to thrive. Contacts indicated a need for affordable housing. The affordable options around the biggest cities in the AA are very limited. Contacts stated that the area could benefit from an expanded

transportation system. Contacts agreed that the financial institutions are active within the community and serve the needs of the community.

Community contacts indicated that economic development remains a challenge in the MSA AA. This is due to the location, poor infrastructure, and lack of local development. The AA continues to lack affordable housing units given the significant increase in housing costs. The community contacts could not identify any specific credit products or services that were needed and not adequately offered, and knew of no areas that were significantly underserved for credit-related products. Community contacts also indicated that opportunities for participation from area institutions in any type of low- or moderate-income sponsored programs are very limited.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data is compiled by the FDIC and is available as of June 30<sup>th</sup> of each year. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** – Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents aggregate peer data for the years the data is available.

<b>Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2015/2016</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
FNB McConnelsville Non-MSA AA	109	8,929	92.4	364	0.0	0.0	0.0	62.6	74.3	63.7	37.4	25.7	36.3	0.0	0.0	0.0	0.0	0.0	0.0	
FNB McConnelsville MSA AA	9	605	7.6	157	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total</b>	<b>118</b>	<b>9,534</b>	<b>100.0</b>	<b>521</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>71.3</b>	<b>76.3</b>	<b>74.7</b>	<b>28.7</b>	<b>23.7</b>	<b>25.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

<b>Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2017</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
FNB McConnelsville Non-MSA AA	77	7,358	88.5	412	0.0	0.0	0.0	48.7	48.1	44.4	51.3	51.9	55.6	0.0	0.0	0.0	0.0	0.0	0.0	
FNB McConnelsville MSA AA	10	600	11.5	187	61.2	60.0	57.2	38.8	40.0	42.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total</b>	<b>87</b>	<b>7,958</b>	<b>100.0</b>	<b>599</b>	<b>16.1</b>	<b>6.9</b>	<b>17.9</b>	<b>46.1</b>	<b>47.1</b>	<b>43.9</b>	<b>37.8</b>	<b>46.0</b>	<b>38.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2015/2016</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
FNB McConnelsville Non MSA AA	109	8,929	92.4	364	30.9	4.6	4.9	21.9	16.5	19.0	21.9	34.9	28.3	25.3	36.7	32.4	0.0	7.3	15.4	
FNB McConnelsville MSA AA	9	605	13.2	157	29.3	0.0	14.7	26.4	33.3	23.6	27.9	22.2	26.1	16.4	22.2	21.7	0.0	22.2	14.0	
<b>Total</b>	<b>118</b>	<b>9,534</b>	<b>100.0</b>	<b>521</b>	<b>30.5</b>	<b>4.2</b>	<b>7.9</b>	<b>22.9</b>	<b>17.8</b>	<b>20.3</b>	<b>23.2</b>	<b>33.9</b>	<b>27.6</b>	<b>23.3</b>	<b>35.6</b>	<b>29.2</b>	<b>0.0</b>	<b>8.5</b>	<b>15.0</b>	

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
FNB McConnelsville Non-MSA AA 2017	77	7,358	88.5	412	29.8	9.1	7.3	19.2	13.0	21.4	20.7	24.7	26.0	30.3	42.9	31.8	0.0	10.4	13.6	
FNB McConnelsville AA 2017	10	600	11.5	187	45.9	10.0	16.0	20.9	20.0	33.2	19.1	30.0	18.2	14.2	40.0	16.6	0.0	0.0	16.0	
<b>Total</b>	<b>87</b>	<b>7,958</b>	<b>100.0</b>	<b>599</b>	<b>34.0</b>	<b>9.2</b>	<b>10.0</b>	<b>19.7</b>	<b>13.8</b>	<b>25.0</b>	<b>20.3</b>	<b>25.3</b>	<b>23.5</b>	<b>26.1</b>	<b>42.5</b>	<b>27.0</b>	<b>0.0</b>	<b>9.2</b>	<b>14.4</b>	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0