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Comptroller of the Currency  
Administrator of National Banks

Large Bank

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## **PUBLIC DISCLOSURE**

March 6, 2000

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

**The Farmers National Bank of Canfield  
Charter Number 3654**

**20 South Broad Street  
PO Box 555  
Canfield, Ohio 44406**

**Comptroller of the Currency  
Cleveland Field Office  
3 Summit Park Drive, Suite 530  
Independence, Ohio 44131**

**NOTE:** This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or, opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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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 subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of *The Farmers National Bank of Canfield*, Canfield, Ohio as prepared by *The Comptroller of the Currency (OCC)*, the institution's supervisory agency, as of *March 6, 2000*. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogeneous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

**Community Development (CD)** - Affordable housing for low- and moderate-income individuals; community services targeted to low- and 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.

**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.

**Full-Scope Review** - Performance under the Lending, Investment, and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area 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 applicants, the amount of the loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined

in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**Limited-Scope 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, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States 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 Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

**INSTITUTION'S CRA RATING:** This institution is rated “Satisfactory”.

The following table indicates the performance level of **The Farmers National Bank of Canfield** with respect to the Lending, Investment, and Service Tests:

Performance Levels	The Farmers National Bank of Canfield Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory			
Low satisfactory	X	X	X
Needs to improve			
Substantial noncompliance			

\* Note: 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:

- Lending levels reflect a good responsiveness by the bank to the credit needs of its assessment area.
- A substantial majority of the loans analyzed for this review (84%) were made within the bank’s assessment area. The ratios were 83% and 85% for residential mortgage and small business loans, respectively.
- Adequate distribution of the bank’s loans among geographies and excellent distribution among borrowers of different income levels throughout its assessment area.
- The bank originated an adequate level of community development loans within its assessment area.

- The bank makes some use of flexible lending programs, including subsidized LMI mortgage programs, to serve the credit needs of its assessment area.
- The bank has an adequate level of qualified community investments within its assessment area, which is considered a limited opportunity area.
- Service delivery systems were reasonably accessible to geographies and individuals of different income levels in the assessment area.
- Community development services were provided at an adequate level.

## **DESCRIPTION OF INSTITUTION**

The Farmers National Bank of Canfield (FNB) is headquartered in Canfield, Ohio, which is located in the Youngstown/Warren MSA #9320. FNB is a wholly owned subsidiary of Farmers National Banc Corp. (FNBC). The holding company is also located in Canfield, Ohio with assets totaling \$431 million. As of December 31, 1999, FNB reported total assets of \$427 million. FNB is an intrastate bank with 11 offices serving portions of Mahoning, Columbiana and Trumbull counties of Ohio.

FNB is a full-service lender offering various loan and deposit products. FNB offers conventional home mortgage loans, home improvement and refinance loans and a full range of business loans. As of December 31, 1999, net loans represent 76% of total assets and consist of primarily real estate loans (53%). Of real estate loans, 1-4 family residential real estate represents 68%. Commercial and consumer loans represent 5% and 41% respectively.

FNB has historically been primarily a retail bank making home mortgage and consumer loans. Agricultural lending is not a primary business line of the bank.

There are no legal, financial or other factors impeding FNB's ability to help meet the credit needs of the communities it serves. As of December 31, 1999, FNB reported Tier 1 capital of \$48 million.

FNB was rated "Satisfactory" at its last CRA evaluation dated January 30, 1998.



## **Scope of the Evaluation**

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

With the exception of community development loans, conclusions regarding the Lending Test are based on data collected for calendar years 1998 and 1999. For CD loans, the Investment and Service Tests the evaluation period is January 30, 1998 through March 1, 2000, the period since the prior CRA evaluation.

The evaluation of the bank's performance under the Lending Test includes HMDA-reportable, small business, and community development loans. FNB's origination/purchase of small loans to farms was not evaluated, as the volume was not significant enough to perform a meaningful analysis (less than 4% of the number of loan originations/purchases over the Lending Test Evaluation period).

The Investment Test conclusions are based on the evaluation of qualified community development investments and donations. Retail and commercial deposit products and services, loan products and services, and community development services are evaluated for the purpose of rating FNBs performance under the Service Test. Please refer to the table in Appendix A for more detailed information.

### **Data Integrity**

As part of this CRA evaluation, FNB's publicly filed information on home mortgage loans and small loans to businesses was tested for accuracy. The test included an evaluation of FNB's processes to ensure that data are reliable.

The accuracy of data used in the evaluation of the bank's performance was verified by comparing selected samples to source documents. Samples tested HMDA, small business and community development loan data reported by FNB in 1998 and 1999. No significant errors were noted in the review of these data that would effect CRA conclusions.

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

The bank operates in only one assessment area (Youngstown/Warren MSA #9320), which received a full-scope review.

### **Ratings**

The overall rating assigned FNB is based solely on results of the full-scope review of the bank's performance in the Youngstown assessment area.

When determining conclusions for the Lending Test, home mortgage products were weighted more heavily than small loans to businesses. Within home mortgage lending, home mortgage refinance products were weighted more heavily than home improvement or home purchase products. This weighting is reflective of FNB's loan volume by product type over the evaluation period.

## **Other**

Two community contacts were made during this examination, including a governmental office and local community development group. These contacts indicated that small business and economic development loans are most needed in the area. Secondary issues within FNB's assessment include affordable home purchase and home improvement loan programs. Refer to Appendix B of this Evaluation for more information.

## **Fair Lending Review**

A comparative file analysis of home improvement loans was performed in connection with the evaluation of FNB's CRA performance, to determine compliance with anti-discrimination laws. The analysis consisted of comparing denied female applicants to approved male applicants and covered a twelve-month time period. Underwriting decisions were evaluated to determine whether the female applicants were treated similarly to the male applicants. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

The bank's performance under the Lending Test is rated "Low Satisfactory". Based on the full-scope review, the bank's performance in the Youngstown-Warren MSA is good.

#### **Lending Activity**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

In the full-scope assessment area, approximately 62% of the loans originated/purchased during the evaluation period were home mortgage loans, with small business loans to businesses comprising the majority of the remainder. At less than 2%, the volume of FNB's small farm loan originations/purchases is not material. Agricultural lending is not a primary business line of FNB.

Among home mortgage loan originations/purchases, approximately 50% were for home mortgage refinance, 26% were for home improvement and 24% were for home purchase. The bank also offers a home equity line of credit to meet the demand for home improvement credit in its AA. As allowed by the HMDA regulation, FNB has chosen not to report these loans on their HMDA-LAR.

FNB's lending activity is good in the Youngstown/Warren MSA. Within this AA, FNB ranks seventh in terms of deposit market share (8%) behind six large regional and interstate financial institutions that dominate the MSA with almost three-quarters of the deposit market share (71%). Based on 1998 HMDA aggregate data, FNB is the fourteenth largest originator/purchaser of home purchase loans (2%). Within FNB's AA, there are eight financial institutions that claim between two and four percent each of the home purchase originations/purchases. Home improvement and home mortgage refinance loan origination performance is ranked sixth (6%) and twelfth (3%) respectively. Within the bank's AA, there are seven financial institutions that claim between two and four percent each of the home mortgage refinance originations/purchases. Based on 1998 CRA aggregate data, FNB also ranks eighth in small loans to business (5%) in the MSA.

#### **Distribution of Loans by Income Level of the Geography**

The geographic distribution of FNB's home mortgage loans and small loans to businesses reflects an adequate penetration throughout the full-scope AA geographies. The volume of FNB's small loans to farms was not significant enough to perform a meaningful analysis.

#### **Home Mortgage Loans**

Refer to Tables 2, 3, and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is adequate in the full-scope AA. In the evaluation of the geographic distribution of FNB's home mortgage loans in the Youngstown/Warren MSA, the significant competition and number of larger financial institutions within the area was considered. Refer to the Market Profile in Appendix B of this evaluation for more information.

Home purchase loan geographic distribution is adequate in the full-scope AA. The portion of home purchase loans made in moderate-income geographies is lower than the portion of owner-occupied housing units that are within those geographies (there are no low-income geographies in the AA). The market share for loans made in moderate-income geographies is near to FNB's overall market shares for home purchases loans.

Home improvement loan geographic distribution is adequate in the full-scope AA. The portion of home improvement loans made in moderate-income geographies is lower than the portion of owner-occupied housing units that are within those geographies. FNB ranks sixth in the home improvement market and although the bank originated eleven home improvement loans within moderate-income geographies during the evaluation period, this was not significant enough to capture 1% of the market share.

Refinance loan geographic distribution is adequate overall. The portion of refinance loans made in moderate-income geographies is lower than the portion of owner-occupied housing units that are within those geographies. The market share for loans made in moderate-income geographies is near to FNB's overall market share for refinance loans.

### **Small Loans to Businesses**

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Small loans to businesses in considered adequate. The geographic distribution of small loans to businesses made in moderate-income geographies is lower than the portion of businesses that are within those geographies. The market shares for such loans are also lower than FNB's overall market shares in the AA for small loans to businesses.

### **Small Loans to Farms**

Refer to Table 6 in Appendix C for the facts and data regarding the geographic distribution of the bank's origination/purchase of small loans to farms.

### **Lending Gap Analysis**

Maps and reports detailing FNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

## **Inside/Outside Ratio**

A substantial majority of the home mortgage loans, small loans to businesses and farms and CD loans originated/purchases by FNB over the evaluation period were within its AA. Eighty-three percent of the bank's home mortgage loans, 85% of the small loans to businesses and farms, and 100% of the CD loans were within its AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

## **Distribution of Loans by Income Level of Borrower**

The borrower distribution of FNB's home mortgage loans and small loans to businesses reflects an excellent dispersion among borrowers of different income levels throughout the AA. In the evaluation of the geographic distribution of FNB's home mortgage loans in the Youngstown/Warren MSA, the significant competition and number of larger financial institutions within the area was considered. Refer to the Market Profile in Appendix B of this evaluation for more information.

## **Home Mortgage Loans**

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home mortgage loans is excellent in the Youngstown/Warren MSA.

Home purchase loan borrower distribution is good. The portion of home purchase loans made to low-income borrowers in the AA is lower than the portion of families that are defined as such. The portion of home purchase loans made to moderate-income borrowers exceeds the portion of families in the AA. In addition, the market share for loans made to low-income borrowers is near and to moderate-income borrowers is very near to FNB's overall market share in the AA for home purchase loans.

Home improvement loan borrower distribution is good. The portion of home improvement loans made to low-income borrower is lower than and to moderate-income borrowers exceeds the portion of families that are defined as such. The market shares of such loans exceeds FNB's overall market share in the MSA for home improvement loans.

Refinance loan borrower distribution is excellent in the Youngstown/Warren MSA. Although the portion of refinance loans made to low-income borrowers is lower than the portion of families that are defined as such, the percentage of refinance loans made to moderate-income borrowers exceeds the same. Further, the market shares of such loans exceeds FNB's overall market share in the MSA for home mortgage refinance loans.

### **Small Loans to Businesses**

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent in the AA. The portion of FNB's small loans to small businesses (businesses with revenues of \$1 million or less) exceeds the portion of businesses that are defined as such. In addition, the market shares of small loans made to small businesses exceeds FNB's overall market share in the AA for small loans to all businesses.

### **Small Loans to Farms**

Refer to Table 11 in Appendix C for the facts and data regarding the borrower distribution of the bank's origination/purchase of small loans to farms.

### **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of CD lending.

CD lending had a neutral impact on the Lending Test conclusions for the bank's assessment area.

All CD lending is generated by FNB's participation in the Mahoning/Youngstown and Columbiana Mini-Loan Fund Programs. Both loan funds are a consortia formed by a number of local lenders with local and county government funding also included. The loan funds are available to small business owners who generally fail to meet traditional bank underwriting guidelines. FNB has committed to lend up to a total of up to \$200 thousand dollars. During the evaluation period, FNB funded eight loans totaling \$69 thousand dollars. Given the capacity of the AA to engage in CD lending (refer to Market Profile in Appendix B), the number and dollar amount of CD loans is adequate. In addition, FNB has also documented that they have originated other loans with CD characteristics in the AA that were included in the home mortgage and small loans to businesses lending totals that had a positive impact on the AA. None of the loans are considered complex or innovative.

### **Product Innovation and Flexibility**

Product innovation and flexibility had a neutral impact on the Lending Test conclusion for the bank's assessment area. Bank-wide, FNB offers flexible mortgage-related lending programs serving low- and moderate-income borrowers including the "FNB Welcome Home" Mortgage and the "Federal Home Loan Bank Welcome Home Program". Neither of the programs is considered innovative.

The "Welcome Home" Mortgage is a program initiated by FNB in 1999, which offers financing up to 95% and the ability to finance most closing costs. Borrowers are required to provide 1% or a minimum of \$500

toward the down payment of their home. The rate for closing costs is at the same rate as FNB's conventional mortgage products. Additionally, FNB does not require private mortgage insurance on loans with loan-to-value ratios above 80%. Over the evaluation period, FNB originated 5 loans totaling \$258 thousand dollars within its AA.

The "Federal Home Loan Bank Welcome Home Program" is a low- and moderate-income mortgage program subsidized by the Federal Home Loan Bank of Cincinnati. This program is specifically designed to assist individuals within rural and small communities to acquire home purchase financing. The bank obtains grant monies from a loan pool to fund each loan. As a condition of the grant, the bank waives all closing costs associated with the mortgage. Over the evaluation period, FNB originated 4 loans totaling \$220 thousand dollars within its AA.

## **INVESTMENT TEST**

The bank's performance under the Investment Test is rated "Low Satisfactory".

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, FNB made 1 investment totaling \$5 thousand in the AA. The volume of investments is considered adequate, given the limited CD opportunities in the AA (refer to the Market Profile in Appendix B). The impact of this investment on the community is high and it addresses the identified need for business retention and job creation. The investment is not considered complex or innovative.

The following is a discussion of FNB's investments in the AA:

**Focus on the Future** - This is a five-year economic development plan spearheaded by the Youngstown/Warren Regional Chamber of Commerce. The purpose of this program is to retain and expand the Mahoning Valley's economic base through business recruitment, business retention, and the development of a workforce education center. Retention and development initiatives are focused on low- and moderate-income geographies in Trumbull and Mahoning Counties, including the communities of Youngstown and Niles. During the first phase of the five year plan, business recruitment efforts have resulted in assistance to 29 businesses for a total of \$91 million. Of these funds, \$30 million funded new businesses to the community, creating over 1800 new full-time positions. Economic assistance to the business community includes constructing new building space and funding small business expansions and start-ups. Investment participation for this project includes local financial institutions, area merchants and industrial complexes. FNB's investment in the plan totaled \$25 thousand, with annual investment distributions of \$5 thousand.

**Grants/Donations** - LNB provided 5 grants totaling \$19 thousand to local non-profit organizations for



CD initiatives throughout the AA.

## **SERVICE TEST**

The bank's performance under the Service Test is rated "Low Satisfactory". Based on the full-scope review of the Youngstown-Warren AA, the bank's performance is considered adequate.

### **Retail Banking Services**

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNB's delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the AA. Accessibility to borrowers of different income levels is adequate. As of the evaluation date, FNB had 11 branches and 11 full-service ATMs. Branch and ATM distribution was 0% in moderate-income geographies, 64% in middle-income geographies and 36% in upper-income geographies, compared to geographic distribution of 9%, 65% and 26% and population distribution of 7%, 63% and 31% respectively. There are no low-income geographies located within FNB's AA and moderate-income geographies total only 9%. During the evaluation period, FNB opened 1 branch in Mahoning County in an upper-income census tract in January 1999.

FNB's hours and services offered throughout the AA are adequate. Hours of service do not differ among branch locations. Banking hours Monday through Friday are supplemented by Saturday hours and services at all branch locations. Occasionally, lending officers will meet with applicants at their residence to discuss credit applications or sign loan documents.

Although FNB offers an ATM network for an alternative delivery system for retail banking services, none are located in low- or moderate-income geographies. Since the bank does not collect information on how low- and moderate-income individuals or geographies are affected, then we could not place significant weight on the alternative delivery systems when drawing our CRA performance conclusions because no data was available.

### **Community Development Services**

FNB's performance in providing CD services to its AA is adequate.

FNB's involvement in community projects or activities that meet the definition of community development services is limited. Efforts are concentrated on combined group sponsorships for small business and consumer credit education seminars.

In response to low- and moderate-income borrowers needs, the bank has developed a savings program to work in conjunction with the its "Welcome Home" Mortgage program. For low- and moderate-income

borrowers who are credit worthy, but do not have the minimum \$500 required for down payment or closing costs, FNB will open a non-interest bearing savings account for the individual. Terms of the account are a maximum of two years with weekly \$5 minimum deposits into the account by the customer. At account opening, FNB will credit the account \$25. After the first and second twelve months of full payment, FNB will credit the account with \$10 additional dollars. If the account remains open beyond 24 months and is not used as down payment funds for a mortgage, the account is converted into a passbook savings account.

## 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. 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 (excludes CD Loans): 1/01/98 to 12/31/99 Investment and Service Tests and CD Loans: 1/30/98 to 3/01/00	
<b>Financial institution</b>		<b>Products reviewed</b>
The Farmers National Bank of Canfield Canfield, Ohio		Home mortgage loans, small loans to businesses and CD loans.
<b>Affiliate(s)</b>	<b>Affiliate relationship</b>	<b>Products reviewed</b>
None	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Youngstown/Warren MSA #9320	Full-Scope	

## APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS

Demographic Information for the Area: Canfield		Evaluation Period: 01/01/1998 TO 12/31/1999									
Demographic Characteristic	Total	Low Income Tracts		Mod Income Tracts		Middle Income Tracts		Upper Income Tracts		NA Income Tracts*	
	#	%	#	%	#	%	#	%	#	%	#
Geographies (Census Tracts/BNAs)	55	0.00	0	9.09	5	65.45	36	25.45	14	0.00	0
Population by Geography	267,483	0.00	0	6.76	18,088	62.02	165,902	31.21	83,493	0.00	0
Owner-Occupied Housing by Geography	76,612	0.00	0	5.72	4,381	63.42	48,586	30.86	23,645	0.00	0
Business by Geography	8,846	0.00	0	6.64	587	56.47	4,995	36.90	3,264	0.00	0
Farms by Geography	511	0.00	0	2.15	11	73.58	376	24.27	124	0.00	0
Family Distribution by Income Level	75,717	15.41	11,670	18.35	13,892	23.73	17,967	42.51	32,188	0.00	0
Distribution of Low and Moderate Income Families throughout AA Geographies	25,562	0.00	0	10.80	2,760	68.21	17,436	20.99	5,366	0.00	0
Median Family Income	30,605	Median Housing Value		\$48,762							
HUD Adjusted Median Family Income for 1999	42,500	Unemployment Rate		4.86%							
Households Below Poverty Level	14.22%										

\* The NA category consists of geographies that have not been assigned an income classification  
Source: 1990 U.S. Census and 1999 HUD updated MFI

FNB's operates within Columbiana, Mahoning and Trumbull counties. The bank's assessment area (AA) consists of 55 census tracts, of 156, within Youngstown/Warren MSA #9320. FNB has 11 offices located throughout the MSA. As of December 31, 1999, 100% of FNB's deposits were derived from the MSA. Over the evaluation period, 83% of the home mortgage loans and 85% of the small loans to businesses were derived from this MSA.

FNB's deposits in the Youngstown/Warren MSA total approximately \$319 million. Based on FDIC deposit market share data as of June 30, 1999, this equates to an 8% deposit market share, which ranks FNB as the seventh largest deposit taking institution in the MSA. Competition within the MSA is strong. The top six deposit market positions are held by larger national and regional financial institutions including Home Savings & Loan, National City Bank, Mahoning National Bank, Sky Bank and First Federal Savings & Loan.

FNB also serves the MSA with 11 ATMs. The ATMs are located at each FNB office.

The local economy is primarily service- and small business-oriented. The economy has made significant strides since the demise of the steel industry in the late 1970's and early 1980's. The area has had some success in diversifying its economy away from steel and heavy manufacturing. The largest industry sectors today are health services, transportation equipment, wholesale trade/durable goods, fabricated metal products and primary metal products.

The unemployment level for the MSA averaged 6.1% for the first two months of 2000. This shows a significant increase in unemployment from the 1999 MSA average of 4.86%. The Ohio State and U.S. unemployment rates are 4.8% and 4.4%, respectively. Major employers include General Motors, Packard Electric, Youngstown State University and local government.

Two community contacts were made during this examination, including a governmental office and local community development group. These contacts indicated that small business and economic development loans are most needed in the area. Community development opportunities, however, are limited within the bank's assessment area and consist primarily of grants and/or donations. As such, FNB has made efforts to participate with community development initiatives and organizations surrounding the bank's assessment area. Secondary issues within MSA include affordable home purchase and home improvement loan programs.

## APPENDIX C: TABLES OF PERFORMANCE DATA

### Content of Standardized Tables

The tables cover the entire CRA evaluation period. For the purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents the market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data.
- Table 7. Borrower Distribution of Home Purchase Loans** - 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 MSA/assessment area. The table also presents market rank and market share information on the most recent aggregate market data available.

**Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.

**Table 9. Borrower Distribution of Refinance Loans** - See Table 7.

**Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and traced and recorded by the bank's financial reporting system.

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.





**Table 1. Lending Volume**

LENDING VOLUME												Evaluation Period: 01/01/1998 TO 12/31/1999	
MSA/Assessment Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
<b>Full Scope</b>													
Canfield	0.00	852	44,723	497	21,189	21	320	0	69	1,370	66,232	100.00	

\* Deposit Data as of June 30, 1999

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																	Evaluation Period: 01/01/1998 TO 12/31/1999	
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans			
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**		
<b>Full Scope</b>																		
Canfield	0	0	6	2	63	62	31	35	14	2.2	0.0	0.8	2.4	2.1	206	100		

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

\*\* Home purchase loans within an MSA/JAA as a % of all home purchase loans in the rating area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1998 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Improvement Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Canfield	0	0	6	1	63	63	31	36	6	6.1	0.0	0.0	6.2	7.1	220	100

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

\*\* Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1998 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Canfield	0	0	6	1	63	69	31	30	12	2.5	0.0	0.5	3.4	1.6	426	100

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

\*\* Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL BUSINESS										Evaluation Period: 01/01/1998 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Canfield	0	0	7	1	56	56	37	43	8	5.2	1.8	0.6	6.1	6.3	497	100

\* Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

\*\* Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL FARM										Evaluation Period: 01/01/1998 TO 12/31/1999						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Canfield	0	0	2	0	74	81	24	19	2	20.0	0.0	0.0	16.7	28.6	21	100

\* Based on 1998 Aggregate Small Business Data Only. Market rank is for all income categories combined.

\*\* Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HMDA HOME PURCHASE										Evaluation Period: 01/01/1998 TO 12/31/1999						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Canfield	15	4	18	19	24	28	43	46	14	2.2	0.7	2.0	2.1	2.7	206	100

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 \*\* As a percentage of loans with borrower income information available.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1998 TO 12/31/1999						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Canfield	15	11	18	26	24	32	43	29	6	6.1	8.0	6.7	5.3	5.6	220	100

\* Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.  
 \*\* As a percentage of loans with borrower income information available.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1998 TO 12/31/1999							
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans		
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total	
<b>Full Scope</b>																	
Canfield	15	8	18	21	24	28	43	41	12	2.5	3.8	3.7	2.8	2.3	426	100	

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL BUSINESS										Evaluation Period: 01/01/1998 TO 12/31/1999			
MSA/Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*		Total Small Business Loans				
	% Business**	% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total			
<b>Full Scope</b>													
Canfield	70	89	56	92	5	3	5.2	7.3	497	100			

\* The market consists of all other Small Business reporters in Bank's assessment area and is based on 1998 Aggregate Small Business Data Only

\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses.

\*\*\* Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for XX% of small loans to businesses reported by the BANK.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL FARM										Evaluation Period: 01/01/1998 TO 12/31/1999	
MSA/Assessment Area	Businesses With Revenues of \$ 1million or less			% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans		
	% Farms**	% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total	
<b>Full Scope</b>											
Canfield	97	4	52	100	0	0	20.0	27.8	21	100	

\* The market consists of all other Small Farm reporters in Bank's assessment area and is based on 1998 Aggregate Small Business Data Only

\*\* As a Percentage of Farms with known revenues.

\*\*\* As a percentage of loans with borrower income information available.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS										Evaluation Period: 01/30/1998 TO 12/31/1999	
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Commitments**			
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)		
<b>Full Scope</b>											
Canfield	1	0	6	24	6	24	100.00	4	20		

\* "Prior Period Investments" means investments made in a previous evaluation period that remains outstanding as of the examination date.

\*\* "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

**Table13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																	Evaluation Period: 01/01/1998 TO 12/31/1999			
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings						Population						
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of branches due to openings/closings				% of the Population with Each Geography*						
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
<b>Full Scope</b>																				
Canfield	0.00	11	100.00	0.00	100.00	0.00	36.00	0	0	0.00	0.00	0.00	0.00	0.00	6.76	62.02	31.21			

\* The percentage of the population in the MSA/AA that resides in these geographies.