



## **PUBLIC DISCLOSURE**

July 22, 2024

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

The First National Bank of Sycamore  
Charter Number: 11383

141 S. Sycamore Avenue  
Sycamore, OH 44882

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, 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

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

**The lending test is rated: Satisfactory.**

The major factors that support this rating include:

- The bank's loan-to-deposit ratio is reasonable given its size and financial condition, and the credit needs of its community.
- The bank originated or purchased a majority of its loans, by number and dollar amount, inside its assessment area (AA) during the evaluation period.
- The geographic distribution of home mortgage loans and loans to small businesses is reasonable.
- The bank's distribution of home mortgage loans and loans to small businesses reflects a reasonable penetration to borrowers of different income levels and businesses of different sizes.

### Loan-to-Deposit Ratio

Considering First National Bank of Sycamore's (FNB or bank) size, financial condition, and credit needs of the AA, the loan-to-deposit (LTD) ratio is reasonable.

From January 1, 2021, to December 31, 2023, the bank's average quarterly LTD ratio was 59.6 percent, and quarterly ratios ranged from a low of 50.3 percent in the first quarter of 2022 to a high of 70.4 percent in the fourth quarter of 2023. In comparison, the average LTD ratio for nine banks of similar asset size ranged between 23.6 percent and 112.1 percent. Despite its average LTD ratio, FNB's performance is reasonable considering lending is impacted by competition from other banks, credit unions, and non-local financial institutions; coupled with the steady increase in the LTD ratio during the evaluation period.

### Lending in Assessment Area

A majority of the loans that FNB originated or purchased during the evaluation period were inside its AA.

Conclusions are based on a statistical sample that included 87 business loans and 89 home mortgage loans originated during the evaluation period. As shown in Table D below, of the 176 sampled loans, the bank originated or purchased 80.7 percent by number and 77.9 percent by dollar amount of its total business and home mortgage loans within the AA.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
<b>Home Mortgage</b>	73	82.0	16	18.0	89	10,454	79.3	2,727	20.7	13,181
<b>Small Business</b>	69	79.3	18	20.7	87	9,485	76.4	2,932	23.6	12,417
<b>Total</b>	<b>142</b>	<b>80.7</b>	<b>34</b>	<b>19.3</b>	<b>176</b>	<b>19,939</b>	<b>77.9</b>	<b>5,659</b>	<b>22.1</b>	<b>25,599</b>

*Source: Bank Data  
Due to rounding, totals may not equal 100.0%  
Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.*

## Description of Institution

FNB is a \$209.7 million intrastate bank headquartered in Sycamore, Ohio. It is a wholly-owned subsidiary of FNB Bancshares, Inc., a one-bank holding company headquartered at the bank's main office. FNB has four full-service branches, including its main office. The main office is located in Sycamore, Ohio, with one office in McCutchenville, Ohio, New Riegel, Ohio, and Tiffin, Ohio, respectively. FNB's primary business focus is loans to small businesses, and home mortgage loans.

The bank's primary lending areas surround the Sycamore, McCutchenville, Tiffin, and New Riegel offices. The bank's full-service branches are open Monday through Saturday and offer drive-through services, with the exception of the Tiffin branch. The Tiffin office opened as a full service, deposit taking branch including a 24-hour automated teller machine (ATM) and after-hours depository in September 2020. This location is not open on Saturdays and does not offer drive-through services. Non-deposit taking ATMs are located at each branch, with a stand-alone ATM inside the Sycamore IGA store. The Sycamore, McCutchenville, Tiffin, and New Riegel branch ATMs offer 24-hour accessibility. During 2021, the Sycamore, New Riegel and McCutchenville offices were located in upper-income CTs, while Tiffin was in a middle-income CT. The Tiffin branch is adjacent to one of the three moderate-income CTs. Beginning in 2022, based on the 2020 U.S. Census data, all four branches are located in middle-income tracts. The Tiffin branch is near two of the three moderate-income tracts and the New Riegel branch is adjacent to one of the three moderate-income tracts. The bank did not open or close any branch locations during the period, but did transition the Tiffin loan production office (LPO) to a full-service deposit taking branch in 2020.

FNB offers traditional banking products and services, including business loans and residential mortgages. The bank also offers HELOCs, farm loans, and consumer installment loans, and provides a range of deposit products and services including checking, savings, certificates of deposits, health savings accounts, electronic and mobile banking, and other services such as safe deposit boxes and bill pay. Business related deposit products and services include checking, night deposit, and wire transfers.

FNB's loan portfolio increased by 38.7 percent during the evaluation period. As of December 31, 2023, the loan portfolio totaled \$122.7 million, of which 86.1 percent was secured by real estate. The loan portfolio consists of 42.6 percent 1-4 family residential, 25.4 percent non-farm/non-

residential, 10.3 percent farm, 8.6 percent commercial, 2.8 percent multi-family, 3.1 percent consumer 1.7 percent HELOCs and 3.2 percent construction loans. As of December 31, 2023, tier 1 capital totaled \$19.6 million, or 9.2 percent of total assets.

There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs of the communities it serves. The bank received a “Satisfactory” rating as a result of its previous Community Reinvestment Act (CRA) Performance Evaluation, dated February 3, 2020.

## **Scope of the Evaluation**

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

The Office of the Comptroller of the Currency (OCC) performed a full-scope review using small bank performance criteria, which includes a lending test. The lending test evaluates the bank’s record of meeting the credit needs of the bank’s AA through its business and home mortgage lending activities. The lending activity analyzed covers January 1, 2021, to December 31, 2023.

The OCC evaluated FNB’s lending performance for the year 2021 separately from 2022 and 2023 as AAs were impacted by the 2020 U.S. Census demographic changes which took effect January 1, 2022. Examiners evaluated the bank’s lending performance for 2021 using 2015 American Community Survey (ACS) data. The bank’s 2022 and 2023 performance evaluation utilized 2020 U.S. Census data, which reflects updated population and housing demographic information, as well as changes to the number and income designations of some census tracts (CTs). The OCC gave more consideration to the bank’s lending performance during the 2022-2023 period as it represented a longer period of performance and higher loan volume.

Based on the bank’s internal reports for lending activity, examiners determined that the bank’s primary lending focus during the evaluation period included loans to small businesses and home mortgage loans. The OCC gave equal consideration to the performance related to these two products to arrive at conclusions. Though the bank also originates consumer loans, farm loans, and home equity lines (HELOCs), these products are not lending focuses of the bank and therefore were not considered as part of this performance evaluation, as an analysis would not be meaningful.

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

Examiners performed a full-scope review of the Sycamore AA as it is the bank’s only AA.

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A - Scope of Examination, for a list of full- and limited-scope AAs.

## **Ratings**

FNB's overall rating is based on the bank's performance within its AA. In reaching conclusions, the OCC weighed information from the following performance criteria when analyzing the bank's primary lending products: lending within the AA, lending to borrowers of different incomes and businesses of different sizes, and the geographic distribution of loans. Since the AA contains no low-income CTs and only three moderate-income CTs, additional weight was given to lending to borrowers of different incomes and businesses of different sizes as this represents a better measure of the bank's lending performance, compared to the geographic distribution test.

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

Pursuant to 12 CFR 25.28(c), or 195.28(c), respectively, 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 Bureau of Consumer Financial Protection, as applicable.

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

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to, the OCC before the end of the institution'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.

## **State Rating**

### **State of Ohio**

**CRA rating for the State of Ohio: Satisfactory.**

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

The major factors that support this rating include:

- The geographic distribution of home mortgage loans and loans to small businesses is reasonable.
- The bank's distribution of home mortgage loans and loans to small businesses to borrowers of different income levels and businesses of different sizes

### **Description of Institution's Operations in Ohio**

The Sycamore AA is located in north central Ohio and is mostly rural in nature. The delineated AA consists all of Seneca and Wyandot Counties in addition to one CT in Crawford County. The 2020 U.S. Census changes affected the AA. Based on 2015 ACS data, in 2021 the AA contained 21 CTs and included no low-income CTs, three moderate-income CTs, 13 middle-income CTs, and five upper-income CTs. In 2022 and 2023, the AA includes 21 CTs with no low-income CTs, three moderate-income CTs, 17 middle-income CTs, and one upper-income CT.

The AA has a competitive banking environment, with a mix of large banks and community banks, as well as credit unions. According to the June 30, 2022, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share report, 22 insured financial institutions with 47 offices serve the AA. This does not include credit unions or other financial services providers. FNB ranked eighth in terms of deposit market share, with 4.4 percent of the AA's insured deposits. Top competitors for deposits in the AA include Sutton Bank, The Old Fort Banking Company, and Premier Bank which hold a combined 43.8 percent of the deposit market as of June 30, 2022.



<b>Table A-1 – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Sycamore 2021</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)	21	0.0	14.3	61.9	23.8	0.0
Population by Geography	82,581	0.0	14.1	60.0	25.9	0.0
Housing Units by Geography	35,557	0.0	14.7	60.5	24.8	0.0
Owner-Occupied Units by Geography	23,466	0.0	12.2	59.5	28.3	0.0
Occupied Rental Units by Geography	8,971	0.0	20.5	62.1	17.3	0.0
Vacant Units by Geography	3,120	0.0	17.3	63.5	19.2	0.0
Businesses by Geography	4,223	0.0	12.2	63.1	24.7	0.0
Farms by Geography	533	0.0	5.3	53.3	41.5	0.0
Family Distribution by Income Level	21,958	18.4	18.3	22.4	40.9	0.0
Household Distribution by Income Level	32,437	21.8	16.4	18.7	43.1	0.0
Median Family Income Non-MSAs - OH		\$55,785	Median Housing Value			\$102,070
			Median Gross Rent			\$642
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS and 2021 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>						

<b>Table A-2 – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Sycamore 2022-2023</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)	21	0.0	14.3	81.0	4.8	0.0
Population by Geography	81,008	0.0	13.9	81.4	4.7	0.0
Housing Units by Geography	35,805	0.0	15.2	80.1	4.8	0.0
Owner-Occupied Units by Geography	23,844	0.0	12.0	82.7	5.3	0.0
Occupied Rental Units by Geography	8,565	0.0	20.8	76.2	2.9	0.0
Vacant Units by Geography	3,396	0.0	23.1	70.9	5.9	0.0
Businesses by Geography	7,195	0.0	16.4	79.5	4.2	0.0
Farms by Geography	744	0.0	6.3	86.4	7.3	0.0
Family Distribution by Income Level	21,408	18.2	20.9	22.5	38.4	0.0
Household Distribution by Income Level	32,409	20.1	17.8	20.1	42.1	0.0
Median Family Income Non-MSAs - OH		\$66,684	Median Housing Value			\$114,608
			Median Gross Rent			\$672
			Families Below Poverty Level			7.8%
<i>Source: 2020 U.S. Census and 2023 D&amp;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.</i>						

Employment levels in the AA improved from 2021 through 2023. According to the U.S. Bureau of Labor Statistics (BLS), the annual Crawford County unemployment rates for 2021, 2022, and 2023 totaled 5.9 percent, 4.8 percent, and 4.3 percent, respectively. The annual Seneca County unemployment rates for 2021, 2022, and 2023 totaled 4.8 percent, 4.2 percent, and 3.6 percent, respectively. For Wyandot County, unemployment rates totaled 3.6 percent, 2.9 percent, and 2.6 percent respectively, which are consistent with the State of Ohio. For comparison, State of Ohio annual unemployment rates for 2021, 2022, and 2023 totaled 5.1 percent, 4.0 percent, and 3.5 percent respectively.

Most non-farm businesses in the AA are small, as measured by the number of employees and gross revenues. According to 2023 Dun & Bradstreet (D&B) data, 88.3 percent of businesses located in the AA have less than \$1 million in gross annual revenues and 63.3 percent of businesses reported employing fewer than five employees. Only 1.5 percent of businesses are headquartered in the AA, while 91.6 percent operate from a single location.

Examiners reviewed information provided by the President/Chief Executive Officer of a community services organization that primarily serves Woods, Seneca, Ottawa, and Sandusky counties. The organization provides several program areas including community and rural development, housing, business development, and senior services. The contact identified needs

that include general operating support, funding for homeownership counseling, funding for basic needs such as food, emergency assistance, and housing assistance, funding for financial opportunity center, bank referrals of rejected small businesses to their agency for small business loans, down payment assistance, bank volunteers to deliver financial education to seniors, and grants for car repairs for their low- and moderate-income (LMI) clients.

## **Scope of Evaluation in Ohio**

This analysis reflects a full-scope review of the Sycamore AA. The lending test for the primary products of business and home mortgage loans covers the period January 1, 2021, through December 31, 2023. Based upon loan origination data, examiners gave equal consideration to performance related to these two portfolios to arrive at conclusions. FNB is not required to report home mortgage or small business lending data. Therefore, examiners based lending-related conclusions on a statistical loan sample. The loan sample totaled 89 home mortgage and 87 business loans. Since the AA contains no low-income geographies and only three moderate-income CTs, examiners gave additional weight to lending to borrowers of different incomes and businesses of different sizes, as this represents a better measure of the bank's lending performance compared to the geographic distribution test.

## **Bank Response to COVID-19 Pandemic**

In March 2020, the World Health Organization declared a worldwide COVID-19 pandemic. Due to the shelter-in-place orders, certain businesses deemed non-essential were shut down or limited in operations. The pandemic limited the ability of bank personnel to provide in-person services. Additionally, opportunities for virtual service deliveries were limited by the capacity of community organizations, and the ability of low- and moderate-income families and small businesses to access virtual technology. The evaluation of the bank's performance takes into consideration the impact of the pandemic.

FNB participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP), which provided small businesses impacted by the pandemic with funds to cover payroll costs or other expenses. During 2020 and 2021, the bank originated 374 PPP loans totaling \$8.84 million. From the PPP loans, 373 customers applied for, and were granted, forgiveness by the SBA, while one customer chose to pay off their PPP loan.

To assist borrowers experiencing financial difficulty due to the pandemic, the bank also offered extensions and deferrals for all open loans in 2020 and 2021 on a case-by-case basis. The bank granted 55 extensions and deferrals in 2020 and 2021. Of these loans, 36 were paid off and 19 remain open.

## **LENDING TEST**

The bank's performance under the Lending Test in Ohio is rated Satisfactory.

## Conclusions for Ohio Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Sycamore AA is reasonable.

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

The bank exhibits reasonable geographic distribution of loans in the state. The OCC considered the percentage of owner-occupied housing units, non-farm businesses, and households in moderate-income geographies as well as aggregate lending distribution data in the AA. Examiners also weighed demographic factors of the AA that could affect the bank's ability to lend. These factors include competition from larger institutions, the lack of low- and moderate-income CTs, and the location of the majority of businesses, farms, and owner-occupied housing.

Better lending opportunities exist in the middle- and upper-income CTs within the AA. According to 2015 ACS data, in 2021 those geographies contained 87.8 percent of owner-occupied housing units and 88.9 percent of businesses in the AA. Based on the 2020 U.S. Census, in 2022 those geographies contained 88 percent of owner-occupied housing units and 83.9 percent of businesses in the AA. Additionally, borrowers are using online financing options more often, leading to a larger pool of lenders vying for a small pool of applicants. These factors add significant challenges for a community bank.

### *Home Mortgage Loans*

Refer to Table O-1 and O-2 in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

2021

Based on a statistical loan sample, FNB's overall distribution of home mortgage loans among geographies of different income levels is reasonable. Examiners considered that the AA included only three moderate-income tracts and that limited lending opportunities exist for the bank in these CTs. In 2021, almost 14 percent of the households in these CTs live below poverty level. Single-family homes account for 81.8 percent of housing units in the moderate-income tracts. Owner-occupied homes were only 54.5 percent of housing units and represented just 2,336 total owner-occupied housing units within the three moderate-income CTs. During 2021, the bank originated 4.4 percent of its home mortgage loans in moderate-income CTs. There were no low-income census tracts for this evaluation period. While the percentage of bank loans was below both the percentage of owner-occupied housing units of 12.2 percent and the aggregate lending percentage of 11.7, it is considered reasonable based upon the factors discussed above.

2022-2023

Based on statistical loan sample, FNB's overall distribution of home mortgage loans among geographies of different income levels is reasonable. Examiners considered that the AA included only three moderate-income tracts and that limited lending opportunities exist for the bank in these CTs. In 2023, nearly 11 percent of households in these three moderate-income CTs live

below poverty level. In 2023, 85.7 percent of housing units in these three moderate income tracts were single family homes, and only 52.7 percent were owner-occupied which represented 2,453 total owner-occupied housing units within the moderate-income CTs. During 2022-2023, the bank originated 4.0 percent of its home mortgage loans in moderate-income CTs. There were no low-income census tracts for this evaluation period. While the percentages of bank loans were below both the percentage of owner-occupied housing units of 12 percent in 2022-2023 and the aggregate lending percentage of 14 percent in 2022-2023, it is considered reasonable based upon the demographic factors discussed above.

### ***Small Loans to Businesses***

Refer to Table Q-1 and Q-2 in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

2021

Based on the statistical loan sample, FNB's geographic distribution of loans to small businesses among geographies of different income levels is reasonable. During 2021 FNB made 4.0 percent of its loans to small businesses in moderate-income CTs. There were no low-income census tracts for this evaluation period. For comparison, FNB was below the aggregate small loans to business lending of 11.2 percent in moderate-income CTs. In 2021 there were only 409 small businesses located in moderate-income CTs.

2022-2023

Based on the statistical loan sample, FNB's geographic distribution of loans to small businesses among geographies of different income levels is reasonable. During 2022-2023, FNB made 22.7 percent of its small loans to businesses in moderate income CTs. There were no low-income census tracts for this evaluation period. For comparison, the bank was above the aggregate loans to small business lending of 16.2 percent in moderate income CTs. In 2023 there were 1,000 small businesses located in moderate-income CTs.

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

FNB exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. In evaluating the borrower distribution of home mortgage loans, examiners considered the poverty rate and related barriers to home ownership, as well as the level of competition in the AA. The ACS data identified that in 2021, 36.7 percent of families in the AA are considered low- or moderate-income, and 11.2 percent of households spend more than 30 percent of their income on housing. The U.S. Census identified that in 2023, 39.1 percent of families in the AA are considered low- or moderate- income, and 8.9 percent of households spend more than 30 percent of their income on housing.

For business lending, the OCC considered the level of competition from other banks, credit unions, and non-bank financial institutions for lending opportunities to the 3,370 small

businesses in 2021, and 6,276 small businesses in 2023, in the AA. The June 2021 D&B data reflects that 86.6 percent of non-farm businesses within the AA are small. A significant majority of these businesses had less than five employees, operated from a single location, and had less than \$1 million in gross revenues. The service and retail trade business sectors comprised 48.7 percent of employers within the AA. The June 2023 D&B data reflects that 87.2 percent of non-farm business within the AA are small. A significant majority of these businesses had less than five employees, operated from a single location, and had less than \$1 million in gross revenues. The service and retail trade business sectors comprised 40.5 percent of employers within the AA.

### ***Home Mortgage Loans***

Refer to Table P-1 and P-2 in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### 2021

Based on a statistical sample, FNB's distribution of home mortgage loans among borrowers of different income levels is reasonable. During 2021, FNB originated 26.1 percent of its home mortgage loans to low-income borrowers. This significantly exceeded both the 18.4 percent of low-income families in the AA and the 7.9 percent of aggregate mortgage lending. FNB also originated 13.0 percent of its home mortgage loans to moderate-income borrowers. This is less than the 18.3 percent of moderate-income families in the AA and the 21.8 percent of aggregate home mortgage lending. The bank's ability to lend to low- and moderate-income borrowers is impacted by the percentage of families living below poverty levels. Examiners considered that families with incomes below the poverty level was at 11.1 percent in 2021, according to ACS data. People living in poverty may not have the financial resources to qualify for and service mortgage debt in amounts necessary to afford homes in the AA, particularly considering the median housing value of \$102,070. Examiners also considered the age of housing stock within the AA, noting that the median age of housing units is over 60 years. Older homes often cost more to maintain, frequently require significant repairs, and are typically less energy efficient. These factors add to the overall cost of homeownership, which can affect the ability of LMI individuals to qualify for home mortgage loans.

#### 2022-2023

Based on a statistical sample, FNB's distribution of home mortgage loans among borrowers of different income levels is reasonable. During 2022 and 2023, FNB originated 10.0 percent of its home mortgage loans to low-income borrowers. This is below both the 18.2 percent of low-income families in the AA and the 12.2 percent of aggregate mortgage lending. The bank also originated 32.0 percent of its home mortgage loans to moderate-income borrowers. This exceeded the 20.9 percent of moderate-income families in the AA and the 25.4 percent of aggregate home mortgage lending. The bank's ability to lend to low- and moderate-income borrowers is impacted by the percentage of families living below poverty levels. According to U.S. Census data, 7.8 percent of families had incomes below the poverty level in 2023 and the median housing value was \$114,608. Examiners also considered the age of housing stock within the AA, noting that the median age of housing units is over 60 years. Older homes often cost

more to maintain, frequently require significant repairs, and are typically less energy efficient. These factors add to the overall cost of homeownership, which can affect the ability of LMI individuals to qualify for home mortgage loans.

### ***Small Loans to Businesses***

Refer to Table R-1 and R-2 in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

2021

Based on a statistical sample, FNB's distribution of loans to small businesses reflects reasonable penetration among businesses of different sizes. During 2021, the bank made 64.0 percent of its loans to small businesses with gross annual revenues of \$1.0 million or less. This is comparable to the 79.8 percent of small businesses in the AA and exceeds the aggregate small loans to small businesses percentage of 59.9 percent.

2022-2023

Based on a statistical sample, FNB's distribution of loans to small businesses reflects reasonable penetration among businesses of different sizes. During 2022-2023, the bank made 75.0 percent of its loans to small businesses with gross annual revenues of \$1.0 million or less. This is comparable to the 87.2 percent of small businesses in the AA and exceeds the aggregate loans to small businesses percentage of 64.9 percent.

### **Responses to Complaints**

FNB did not receive any complaints pertaining to the Community Reinvestment Act during the 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 MSAs and non-MSAs 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>	(01/01/21 to 12/31/23)	
<b>Bank Products Reviewed:</b>	Home mortgage loans Business loans	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
Sycamore County AA	Full scope	<i>Sycamore County AA includes All of Seneca County, All of Wyandot County, and 9742 CT of Crawford County.</i>
<b>States</b>		
Ohio		



**Appendix B: Summary of MMSA and State Ratings**

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RATINGS: The First National Bank of Sycamore	
Overall Bank:	Lending Test Rating
The First National Bank of Sycamore	Satisfactory
State:	
State of Ohio	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**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; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope 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), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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-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, and branch distribution).

**Low-Income (Low):** An 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 state/assessment area.

**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. The median is the point at which half of the families have income above, and half below, a range of incomes. 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, and half below, a range of incomes.

**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:** 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.

**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.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to

businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

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
Sycamore	30	4,544	100.0	2,367	0.0	0.0	0.0	12.2	4.4	11.7	59.5	39.1	60.8	28.3	56.5	27.6	0.0	0.0	0.0

*Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

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
Sycamore	59	8,636	100.0	1,684	0.0	0.0	0.0	12.0	4.00	14.0	82.7	92.0	82.4	5.3	4.0	3.7	0.0	0.0	0.0

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

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
Sycamore	30	4,544	100.0	2,367	18.4	26.1	7.9	18.3	13.0	21.8	22.4	39.1	26.2	40.9	21.7	32.6	0.0	0.0	11.5

*Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*



**Table P-2: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2022-23**

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
Sycamore	59	8,637	100.0	1,684	18.2	10.0	12.2	20.9	32.0	25.4	22.5	30.0	26.7	38.4	28.0	24.5	0.0	0.0	11.3

*Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Table Q-1: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2021**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Sycamore	30	4,295	100.0	1,183	0.0	0.0	0.0	12.2	4.0	11.2	63.1	56.0	63.0	24.7	40.0	25.9	0.0	0.0	0.0

*Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Table Q-2: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2022-23**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Sycamore	57	8,123	100.0	1,178	0.0	0.0	0.0	16.4	22.7	16.2	79.5	72.7	79.9	4.2	4.5	3.9	0.0	0.0	0.0

*Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

Table R-1: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Sycamore	30	4,295	100.0	1,183	79.8	64.0	59.9	5.4	20.0	14.8	16.0
<i>Source: 2021 D&amp;B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>											

Table R-2: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-23
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Sycamore	57	8,123	100.0	1,178	87.2	75.0	64.9	3.2	15.9	9.6	9.1
<i>Source: 2023 D&amp;B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>											