



## **PUBLIC DISCLOSURE**

July 17, 2023

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

The Citizens National Bank of McConnelsville  
Charter Number: 5259

100 East Main Street  
McConnelsville, Ohio 43756

Office of the Comptroller of the Currency

Central Ohio – Indiana Office  
Metro Place V  
655 Metro Place South, Suite 625  
Dublin, Ohio 43017

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## Table of Contents

Overall CRA Rating.....	1
Description of Institution.....	2
Scope of the Evaluation.....	3
Discriminatory or Other Illegal Credit Practices Review.....	4
State Rating.....	5
State of Ohio.....	5
Lending Test.....	8
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

## Overall CRA Rating

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

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

The major factors that support this rating include:

- The Lending Test rating is based on the state rating and the following overall conclusions:
  - The bank's loan-to-deposit (LTD) ratio is more than reasonable.
  - The bank exhibits an excellent geographic distribution of loans in the assessment area (AA).
  - The bank exhibits an excellent distribution of loans to individuals of different income levels in the AA.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is more than reasonable.

Over the 12 quarters since the previous Community Reinvestment Act (CRA) evaluation (January 1, 2019, to December 31, 2021), The Citizens National Bank of McConnellsville's (CNB or bank) quarterly average LTD ratio was 80.2 percent. The ratio ranged from a high of 92.4 percent as of June 30, 2019, to a low of 68.5 percent as of September 30, 2021.

CNB's quarterly average LTD ratio compares favorably with three local competitors and similarly situated banks headquartered in Morgan and Muskingum Counties in Ohio with total assets less than \$625 million. In comparison, the quarterly average LTD ratio of the similarly situated banks is 73.1 percent, ranging from a high of 86.5 percent to a low of 57.9 percent. Two of the three similarly situated banks were in Muskingum County and had total assets over \$300 million, with one of those banks having the highest quarterly average LTD ratio of 86.5 percent. One of the three banks was in Morgan County with total assets less than \$200 million with a quarterly average LTD ratio of 57.9 percent.

### Lending in Assessment Area

A majority of the bank's loans are inside its AA.

The bank originated and purchased 75.8 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	47	78.3	13	21.7	60	5,601	70.6	2,334	29.4	7,935
Consumer	44	73.3	16	26.7	60	619	74.5	212	25.5	831
Total	91	75.8	29	24.2	120	6,220	71.0	2,546	29.0	8,766

Source: 2019, 2020, and 2021 Bank Data.  
Due to rounding, totals may not equal 100.0%.

## Description of Institution

CNB is a community bank headquartered in McConnelsville, Ohio. The main office is located approximately 90 miles southeast of Columbus, Ohio. The second branch is in Duncan Falls, Ohio (approximately 18 miles north of the main office). CNB is a wholly owned subsidiary of CNB Holdings, Inc., a one-bank holding company also headquartered in McConnelsville. There are two affiliates under this holding company, CNB Morgan Real Property Ltd. and CNB Jefferson Morgan Development Company. Both entities are engaged in owning real estate in the local market. No affiliate activity was included in the scope of this evaluation. There was no merger or acquisition activity that affected the scope of the bank's operations during the evaluation period.

The bank has two full-service offices, the main office in McConnelsville and a branch office in Duncan Falls. The main office is in a moderate-income census tract (CT) and the branch is in an upper-income CT. Both offices have a drive-up facility and an automated teller machine (ATM). Additionally, there are three stand-alone ATMs, two in McConnelsville in a moderate-income CT and one in Duncan Falls in an upper-income CT. Presently, none of the ATMs accept deposits. The bank has not opened or closed any offices since the last CRA evaluation.

CNB is a single-state financial institution with one rating area (Ohio) and one AA in a non-Metropolitan Statistical Area (Non-MSA). During the evaluation period, the AA includes Morgan County in its entirety and seven census tracts (CTs) in the southern part of Muskingum County (Non-MSA AA). The AA consists of four (36.4 percent) moderate-income, five (45.5 percent) middle-income, and two (18.2 percent) upper-income CTs. The entire AA is contiguous, meets the requirements of the regulation, and does not reflect illegal discrimination or arbitrarily exclude any low- or moderate-income (LMI) areas. The AA is further described in the "Scope of Evaluation" and "Description of Institution's Operations in Ohio" sections of this performance evaluation.

As of December 31, 2021, CNB reported total assets of \$111.8 million, with net loans of \$64.1 million, total deposits of \$92.7 million, and tier one capital of \$11.5 million. Net loans represent approximately 57 percent of total assets. The bank offers a variety of traditional lending and deposit products at its main office and branch to serve the community. Loan products include business, home mortgage, agricultural, and consumer loans. Deposit products include checking, savings, certificates of deposit (CDs), and individual retirement accounts (IRAs). The bank also offers online and mobile banking.

As of the December 31, 2021, Consolidated Report of Condition and Income (Call Report), the bank's loan portfolio is comprised of 74 percent residential real estate loans (home mortgage), 15 percent commercial and industrial loans and commercial real estate loans (business), 3 percent agriculture loans, and 8 percent consumer loans. The bank's loan originations, based on the number of loans originated during the evaluation period, are approximately 29 percent home mortgage, 10 percent business, 1 percent agriculture, and 60 percent consumer loans. The bank's loan originations, based on the dollar amount of loans originated during the evaluation period, are approximately 68 percent home mortgage, 19 percent business, 1 percent agriculture, and 12 percent consumer loans. CNB's primary business focus is home mortgage lending by dollar volume and consumer lending by the number of loans originated.

No legal, financial, or other factors exist that could restrict or impede CNB's ability to meet the credit needs of its AA. CNB received a Satisfactory CRA rating at the previous CRA evaluation, as of April 29, 2019.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The Office of the Comptroller of the Currency (OCC) conducted a CRA performance evaluation to assess the bank's record of meeting the credit needs of its entire community, including LMI areas. The OCC used small bank CRA evaluation procedures to assess the bank's performance under the Lending Test. The evaluation period was from January 1, 2019, to December 31, 2021. The OCC did not include 2022 data in this analysis because the 2022 aggregate Home Mortgage Disclosure Act (HMDA) data was not available at the time of the review.

The OCC evaluated the bank's lending performance based on its primary lending products, home mortgage and consumer lending. While the bank offers other lending products, these products were not primary products during the evaluation period. As a result, the OCC did not consider these as part of the performance evaluation, as an analysis of this data would not be meaningful. CNB's primary lending products are discussed under the "Description of Institution" section in this report. For the Lending Test, the OCC transaction tested 20 home mortgage and 20 consumer loans per year. The OCC relied on internal bank reports for the transaction testing of home mortgage and consumer loans during the evaluation period.

For analysis purpose, the OCC compared the bank's lending performance with demographic data from the 2015 American Community Survey (ACS) U.S. Census data. No affiliate activity was included in this analysis. Refer to the table in appendix A, Scope of the Examination, for more information on the scope of the review.

### Selection of Areas for Full-Scope Review

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 AAs 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 the 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.

CNB has one AA in a non-MSA. This AA is further described above under the "Description of Institution" section. The OCC completed a full-scope review of the Non-MSA AA. A description of the AA is also provided in the "Description of Institution's Operations in Ohio" section of this evaluation.

### Ratings

The bank's overall rating is a blend of the state ratings. CNB operates in a single state. Since all the bank's offices are in Ohio, its overall rating is based on performance solely in Ohio. The state of Ohio rating is based on performance in the Non-MSA AA. Home mortgage and consumer lending are the primary loan products and were weighted equally. Refer to the "Scope of the Evaluation" section under the State of Ohio section for more details.

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

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's performance) 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<sup>1</sup>:** Outstanding.

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

The major factors that support this rating include:

- CNB exhibits an excellent geographic distribution of loans in the AA.
- CNB exhibits an excellent distribution of loans to individuals of different income levels in the AA.
- The bank has not received any complaints about its performance in helping to meet the AA's credit needs during the evaluation period.

### Description of Institution's Operations in Ohio

CNB has designated one AA in Ohio, the Non-MSA AA. The bank selected the AA based on their targeted lending area and office locations. The AA is contiguous, meets the requirements of the regulation, and does not reflect illegal discrimination, nor does it arbitrarily exclude LMI areas.

#### Non-MSA AA

During the evaluation period, the Non-MSA AA includes Morgan County in its entirety and CTs 9115, 9116, 9120, 9124, 9125, 9126, and 9127 in Muskingum County. The bank has two full-service offices, the main office in McConnelsville and a branch office in Duncan Falls. The main office is in a moderate-income CT and the branch is in an upper-income CT. Both offices have a drive-up facility and an ATM. Additionally, there are three stand-alone ATMs, two in McConnelsville in a moderate-income CT and one in Duncan Falls in an upper-income CT.

The following information regarding demographic data, affordable housing cost, job market and economic conditions, competition, and community contact/credit needs provides additional performance context for CNB's operations in Ohio. The table below provides a summary of demographic data for the AA.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	36.4	45.5	18.2	0.0
Population by Geography	46,852	0.0	32.3	47.7	20.0	0.0
Housing Units by Geography	22,522	0.0	32.7	50.5	16.8	0.0
Owner-Occupied Units by Geography	13,806	0.0	29.2	50.9	19.9	0.0
Occupied Rental Units by Geography	5,632	0.0	33.2	52.0	14.7	0.0
Vacant Units by Geography	3,084	0.0	47.3	45.8	6.8	0.0
Businesses by Geography	2,690	0.0	27.4	56.1	16.5	0.0
Farms by Geography	203	0.0	30.5	48.3	21.2	0.0
Family Distribution by Income Level	13,268	24.8	18.2	20.0	37.1	0.0
Household Distribution by Income Level	19,438	27.1	16.9	16.7	39.4	0.0
Median Family Income Non-MSAs - OH		\$55,785	Median Housing Value			\$107,204
Median Household Income Non-MSAs - OH		\$42,179	Median Gross Rent			\$618
			Families Below Poverty Level			15.0%
			Households Below Poverty Level			17.3%
<i>Source: 2015 ACS and 2020 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>						

### Demographic Data

As of the 2015 ACS U.S. Census data in the table above, the population of the Non-MSA AA is 46,852, with 32.3 percent of the population living in moderate-income CTs, 47.7 percent in middle-income CTs, and 20 percent in upper-income CTs. As of the 2015 ACS U.S. Census, the AA consists of 11 CTs, and is comprised of four moderate-income, five middle-income, and two upper-income CTs. The AA includes 13,268 families and 19,438 households. There were no CT classification changes in the AA during the evaluation period. There were two distressed middle-income nonmetropolitan tracts due to unemployment during the evaluation period (9688 and 9690).

### Affordable Housing Cost

According to the 2015 ACS U.S. Census data, the median housing value is \$107,204. With the median family income of \$55,785, moderate-income families make less than \$44,628 annually and low-income families make less than \$27,893 annually. Median housing values are 2.4 times the annual income of moderate-income families and 3.8 times the annual income of low-income families. Thus, the cost of housing may create a significant financial barrier to homeownership among these families. The 2015 ACS U.S. Census data shows that there are 22,522 total housing units in the Non-MSA AA, of which 61.3 percent are owner-occupied, 25 percent are rental occupied, and 13.7 percent are vacant units. The median age of housing stock is 50 years overall and 59 years in the moderate-income CTs. The cost of homeownership in older housing stock is typically higher than in newer housing; thus, the median age of housing in moderate-income geographies is also a significant barrier to mortgage lending in those CTs. Additionally, 15 percent of the families and 17.3 percent of the households live below the poverty level, making it especially difficult for this segment of the population to afford and maintain a home or qualify



for a loan. In the moderate-income CTs, 19.8 percent of the families are below poverty and 23.3 percent of households are below poverty.

### Job Market and Economic Conditions

The economic conditions in the Non-MSA AA have improved since the start of the COVID-19 pandemic and are overall stable. The unemployment rates in Morgan and Muskingum Counties and the state and national unemployment rates experienced a spike in unemployment during April and May of 2020 followed by a gradual recovery through the end of 2021. According to the Ohio Department of Job and Family Services/Office of Workforce Development – Bureau of Labor Market Information as of December 2021, the “not seasonally adjusted” unemployment rate was 5.3 percent in Morgan County and 3.8 percent in Muskingum County, which is higher than the Ohio unemployment rate of 3.4 percent and the national unemployment rate of 3.7 percent for the same period. As of December 2021, Morgan County was one of six counties in Ohio with unemployment rates over 5 percent. Management noted that both Morgan and Muskingum Counties have seen the recent impact of inflation, with the AA seeing a spike in overall housing prices, food/grocery, and construction materials.

According to business demographic data from D&B (2020), the primary industries in the AA are services and retail trade. Management noted that primary employers in the AA include EZ Grout Corporation, Franklin Local School District, Miba Bearings LLC, Miba Sinter US, and Morgan Local Schools.

### Competition

Competition for deposits in the AA is strong given the number and size of financial institutions in the AA. Competition is comprised of local community banks and branches of larger financial institutions. According to the June 30, 2021, Deposit Market Share Report from the Federal Deposit Insurance Corporation (FDIC), 11 financial institutions with 34 offices operated in Morgan and Muskingum Counties. CNB held the 8<sup>th</sup> largest deposit market share at 4.2 percent as of June 30, 2021, with \$90.2 million in total deposits. The bank’s primary competitors include financial institutions with significant deposit activity in the AA such as Park National Bank, The Community Bank, Huntington National Bank, North Valley Bank, and JPMorgan Chase Bank, National Association (N.A.), with these five holding almost 81 percent of the deposit market share.

Strong competition for home mortgage loans also exists. As stated above, CNB’s primary business focus includes home mortgage lending. The bank is not a HMDA reporter and is therefore not listed on the 2021 Peer Mortgage Data and 2015 ACS U.S. Census data. For reference, the HMDA reporters with the largest market share by origination volume (based on number of loans) in Morgan and Muskingum Counties include Huntington National Bank, Park National Bank, The Community Bank, Rocket Mortgage, and Peoples Bank, with these five holding a 40 percent market share as of the 2021 Peer Mortgage Data.

### Community Contact/Credit Needs

As part of the CRA performance evaluation, the OCC reviewed information provided from one interview with a representative from a CD organization. The contact stated that grants for home repair and no or low minimum balance checking accounts for youth are needs in the community. In general, local financial institutions are adequately meeting the credit and community development needs of the community.

## **Scope of Evaluation in Ohio**

The OCC performed a full-scope review of the Non-MSA AA. The data in the AA was analyzed and presented as one AA for the purposes of this evaluation. Home mortgage and consumer lending are the bank's primary lending products and were evaluated under the Lending Test. As discussed above, the OCC transaction tested 20 home mortgage and 20 consumer loans per year of the evaluation period.

The rating is based on performance in the Non-MSA AA. Home mortgage and consumer loans were given equal weight. By the number of loans originated, the bank makes more consumer loans than mortgage loans, but the average consumer loan is much smaller in dollar amount than the average mortgage loan. By dollar volume of loan originations during the evaluation period, the bank made more home mortgage loans. Further, mortgage loans are generally considered more impactful to consumers.

## **LENDING TEST**

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

## **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Non-MSA AA is excellent.

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

The bank exhibits excellent geographic distribution of loans in the State.

In determining the rating, the OCC weighed demographic factors of the AA that could affect the bank's ability to lend. These factors include competition from other financial institutions, the number of LMI geographies, branch presence, area demographics, and the location of most owner-occupied housing. The OCC also noted that in addition to the four moderate-income CTs in the AA, there were two non-metropolitan middle-income CTs that were distressed during the evaluation period (CTs 9688 and 9690). Of the four CTs in Morgan County, two are moderate-income and two are distressed middle-income CTs. High unemployment is also noted in Morgan County, with Morgan County being one of six counties in Ohio as of December 2021 with unemployment over 5 percent.

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

Refer to Table O 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.

The OCC compared the percentage of home mortgage loans originated or purchased by the bank to the percentage of owner-occupied housing units (demographic data) in the four geographic income categories, placing emphasis on the LMI geographies. The OCC also compared the bank's performance against the percentage of home mortgage loans of other mortgage lenders (aggregate data) in the AA, as demonstrated by HMDA aggregate data.

The bank's geographic distribution of home mortgage lending reflects excellent distribution. The bank's percentage of loans originated in moderate-income tracts significantly exceeds both demographic and aggregate lending data of all HMDA reporting lenders, representing excellent performance.

Additionally, the OCC's transaction testing included 21 loans that were originated in distressed middle-income non-metropolitan CTs (35 percent). There are no low-income CTs in the bank's AA.

### ***Consumer Loans***

Refer to Table U in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The OCC compared the percentage of consumer loans originated or purchased by the bank to the percentage of households (demographic data) in the four geographic income categories, placing emphasis on the LMI geographies. As consumer loans are not subject to reporting requirements, no comparison to peer (aggregate) lending data was available.

The bank exhibits an excellent distribution of consumer loans within the AA. During the evaluation period, the percentage of consumer loans originated or purchased by the bank in moderate-income CTs significantly exceeds demographic data. Additionally, the OCC's transaction testing included 24 loans that were originated in distressed middle-income non-metropolitan CTs (40 percent). There are no low-income CTs in the bank's AA.

### ***Lending Gap Analysis***

The OCC did not identify any unexplained, conspicuous gaps in the lending distribution during the review of bank reports and maps.

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

The bank exhibits an excellent distribution of loans to individuals of different income levels, given the product lines offered by the bank.

In evaluating the borrower income distribution of home mortgage and consumer loans, the OCC considered the level of competition and its effect on limiting the bank's ability to lend to borrowers of different income levels, as well as the economic conditions and demographic data in the AA. The bank's distribution of home mortgage lending to LMI borrowers is overall excellent. The bank's distribution of consumer loans to moderate-income borrowers is also excellent. The OCC considered the impact of households below poverty for consumer lending and higher unemployment (over 5 percent as of December 2021). These performance context considerations and stronger performance for moderate-income borrowers for consumer lending offset the weaker performance for consumer lending to low-income borrowers.

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

Refer to Table P 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.

The OCC compared the percentage of home mortgage loans originated or purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level (demographic data), placing emphasis on lending to LMI families. The OCC also

compared the bank's performance against home mortgage loans of other home mortgage lenders (aggregate data), as demonstrated by HMDA aggregate data.

CNB exhibits an excellent distribution of home mortgage loans among borrowers of different income levels within the AA. The bank's lending to low-income borrowers is overall excellent, as the bank's lending significantly exceeds the aggregate lending data of all HMDA reporting lenders. CNB's lending to moderate-income borrowers is excellent as it significantly exceeds both demographic and aggregate lending data.

The OCC considered other factors in the bank's performance during the evaluation period, including the cost of homeownership in the AA as an obstacle to homeownership for low-income borrowers. As stated above, overall median housing values are 3.8 times the weighted average of the median family income of low-income families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to low-income families. Additionally, 15 percent of the families live below the poverty level in the AA.

### ***Consumer Loans***

Refer to Table V in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The OCC compared the percentage of consumer loans originated or purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level (demographic data). As consumer loans are not subject to reporting requirements, no comparison to peer (aggregate) lending data was available.

During the evaluation period, CNB's percentage of consumer loans to low-income borrowers is below demographic data. However, CNB's percentage of consumer loans to moderate-income borrowers exceeds demographic data. Approximately 17.3 percent of the households live below poverty, making it especially difficult for this segment of the population to qualify for a loan. As stated above, performance context considerations and stronger performance for moderate-income borrowers for consumer lending offset the weaker performance for consumer lending to low-income borrowers, demonstrating an overall excellent distribution.

### **Responses to Complaints**

CNB has not received any complaints about its performance in helping to meet the AA's credit needs 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>	1/1/19 – 12/31/21	
<b>Bank Products Reviewed:</b>	Home mortgage and consumer loans	
<b>Affiliates</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
CNB Holdings, Inc.	Holding Company	None
CNB Morgan Real Property Ltd.	Affiliate	None
CNB Jefferson Morgan Development Corporation	Affiliate	None
<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>
<b>States – Ohio</b>		
Non-MSA AA	Full-Scope	The AA includes Morgan County in its entirety and CTs 9115, 9116, 9120, 9124, 9125, 9126, and 9127 in Muskingum County.

# Appendix B: Summary of State Ratings

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<b>Ratings: The Citizens National Bank of McConnellsville</b>	
<b>Overall Bank:</b>	<b>Lending Test Rating</b>
The Citizens National Bank of McConnellsville	Outstanding
<b>State:</b>	
Ohio	Outstanding

## 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 Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

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

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

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

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

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

**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

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of 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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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 aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer 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 households in those geographies.
- Table V. Assessment Area Distribution of Consumer 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 households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

State of Ohio

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2019-21</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$ (000s)	% 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	
Non-MSA AA	60	7,126	100.0	1,669	0.0	0.0	0.0	29.2	48.3	24.6	50.9	41.7	50.0	19.9	10.0	25.3	0.0	0.0	0.0	
<b>Total</b>	<b>60</b>	<b>7,126</b>	<b>100.0</b>	<b>1,669</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>29.2</b>	<b>48.3</b>	<b>24.6</b>	<b>50.9</b>	<b>41.7</b>	<b>50.0</b>	<b>19.9</b>	<b>10.0</b>	<b>25.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0%.*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2019-21</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$ (000s)	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Non-MSA AA	60	7,126	100.0	1,669	24.8	15.0	5.9	18.2	28.3	17.6	20.0	26.7	24.3	37.1	26.7	34.8	0.0	3.3	17.6	
<b>Total</b>	<b>60</b>	<b>7,126</b>	<b>100.0</b>	<b>1,669</b>	<b>24.8</b>	<b>15.0</b>	<b>5.9</b>	<b>18.2</b>	<b>28.3</b>	<b>17.6</b>	<b>20.0</b>	<b>26.7</b>	<b>24.3</b>	<b>37.1</b>	<b>26.7</b>	<b>34.8</b>	<b>0.0</b>	<b>3.3</b>	<b>17.6</b>	

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0%.*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography</b>													<b>2019-21</b>	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$ (000s)	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA	60	958	100.0	0.0	0.0	30.4	58.3	51.2	41.7	18.4	0.0	0.0	0.0	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.                      Due to rounding, totals may not equal 100.0%.</i>														

<b>Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>													<b>2019-21</b>	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$ (000s)	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA	60	958	100.0	27.1	6.7	16.9	18.3	16.7	25.0	39.4	50.0	0.0	0.0	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.                      Due to rounding, totals may not equal 100.0%.</i>														

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.