



PUBLIC DISCLOSURE

August 19, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Neighbor Bank, National Association
Charter Number 13682

201 North Meridian
Toledo, IL 62468

Office of the Comptroller of the Currency

2001 Butterfield Road
Suite 400
Downers Grove, IL 60515

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 Outstanding.

The lending test is rated: Outstanding.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on outstanding performance in the State of Illinois. First Neighbor's distribution of loans to individuals of different incomes and businesses of different sizes is excellent throughout the assessment area (AA). First Neighbor's distribution of loans across geographies of different income levels is excellent throughout the AA.
- First Neighbor originated or purchased a majority of loans within the AA.
- First Neighbor's loan-to-deposit (LTD) ratio is more than reasonable.
- The Community Development (CD) Test rating is based on outstanding performance in the State of Illinois, First Neighbor demonstrated excellent responsiveness to CD needs by engaging in a combination of CD loans, qualified investments, and CD services.
- First Neighbor did not receive any complaints regarding its CRA performance during the evaluation periods.

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**.

During the evaluation period, the bank's quarterly LTD ratio averaged 85.5 percent and ranged from 76.4 percent to 95.1 percent.

We analyzed the quarterly LTD ratios of six federal and state banks based on a combination of size, location, and lending opportunities. The banks ranged in size from \$68.6 million to \$741.7 million, with a combined average quarterly loan-to-deposit ratio of 64.5 percent over the same evaluation period. First Neighbor's loan-to-deposit ratio is the highest compared to this group.

Lending in Assessment Area

A **substantial majority** of the bank's loans are inside its assessment area.

The bank originated and purchased 87.5 percent of its total loans sampled inside the AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans (000's)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Commercial	18	90.0	2	10.0	20	\$796	60.9	\$511	39.1	\$1,307
Consumer	17	85.0	3	15.0	20	\$191	87.2	\$28	12.8	\$219
Total	35	87.5	5	12.5	40	\$987	64.7	\$539	35.3	\$1,526
<i>Source: Sample of 20 consumer and 20 business loans originated between 1/1/2021 - 12/31/2023. Due to rounding, totals may not equal 100.0%</i>										

Description of Institution

First Neighbor Bank, N.A, (First Neighbor) is a \$593.7 million (total assets) intrastate financial institution headquartered in Toledo, Illinois. The bank is a wholly owned subsidiary of First Neighborhood Bancshares, Inc., a one-bank holding company. The bank operates nine banking offices and nine deposit-accepting automated teller machines in Toledo, Arthur, Casey, Charleston, Greenup, Mattoon, Neoga, Newman, and Paris, Illinois. The bank closed one branch located in Tuscola, Illinois in July of 2022 and opened a new branch located in Arthur, Illinois in August of 2022. First Neighbor is a full-service bank that offers conventional deposit and loan products. In addition, the bank offers online and mobile banking.

Based on the branch locations, First Neighbor established one contiguous AA in Illinois that includes Clark, Coles, Cumberland, Douglas, Edgar, and Moultrie Counties. In 2022, the bank expanded it's AA to include census tract (CT) #9769 in Moultrie County.

There are no known impediments limiting the bank's ability to help meet the credit needs of its local community, including low-and moderate-income families and neighborhoods. As of December 31, 2023, First Neighbor's gross loan portfolio totaled \$462.1 million or 77.8 percent of its total assets. Tier 1 capital totaled \$62.4 million, and its leverage ratio was 10.5 percent. The following table shows the bank's loan portfolio mix.

Loan Portfolio Summary by Loan Product	
Loan Category	% of Outstanding Dollars
Business Loans, including Commercial Real Estate	48.9%
Farm Loans, including farmland	25.4%
Home Loans	17.7%
Consumer loans	8.0%

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated First Neighbor's CRA performance using intermediate small bank evaluation procedures which reviewed the bank's record of meeting the credit needs of its AA through lending activities and CD activities. The Lending Test reflects an evaluation of First Neighbor's record of meeting the credit needs of the AA through its lending activities. The CD Test reflects an evaluation of First Neighbor's responsiveness to CD needs of the AA through loans, qualified investments, and services with a CD purpose. The evaluation period for this review is from January 1, 2021, to December 31, 2023.

Based on both the number and dollar volume of loan origination data supplied by the bank, First Neighbor's primary lending products are consumer and business loans. Consumer loans represent 41.4 percent of the number and 6.6 percent of the dollar volume of originations during the evaluation period. Business loans represent 25.0 percent of the number and 34.9 percent of the dollar volume of originations for the same period. As a result, we sampled consumer and business loans for this evaluation.

For analysis purposes, we compared the bank's lending performance with demographic data from the 2015 and 2020 American Community Survey (ACS) U.S. Census, 2021 and 2023 Dun and Bradstreet (D&B) Data, and Federal Deposit Insurance Corporation (FDIC) deposit market share data as of June 30, 2021, 2022 and 2023. No affiliate activity was included in this analysis. Refer to the table in Appendix A for more information on the scope of the review.

Selection of Areas for Full-Scope Review

First Neighbor has one AA in the state of Illinois, and we completed a full-scope review of the AA. Community profiles for the AA are provided in the "Scope" section of the State of Illinois rating.

Ratings

The bank's overall rating is based on the State of Illinois rating. The state rating is derived from the full-scope review of the AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national banks 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 Illinois

CRA rating for the State of Illinois: Outstanding

The Lending Test is rated: Outstanding.

The Community Development Test is rated: Outstanding.

The major factors that support this rating include:

- First Neighbor's distribution of loans to individuals of different incomes and businesses of different sizes is excellent throughout the AA.
- First Neighbor's distribution of loans across geographies of different income levels is excellent throughout the AA.
- First Neighbor demonstrated excellent responsiveness to CD needs by engaging in a combination of CD loans, qualified investments, and CD services.

Description of Institution's Operations in Illinois

First Neighbor's 2021 AA consists of all 29 census tracts (CTs) encompassing all of Clark, Coles, Cumberland, Douglas, and Edgar Counties. There are no low-income CTs, four moderate-income CTs, 22 middle-income CTs, two upper-income CTs and one undefined CT.

During the 2022-2023 evaluation period First Neighbor's 2022-2023 AA consists of all 31 census tracts located within Clark, Coles, Cumberland, Douglas, and Edgar Counties. In 2022 the bank expanded their AA to include one upper-income CT (9769) in Moultrie County. There are no low-income CTs, five moderate-income CTs, 20 middle-income CTs and six upper-income CTs. The AA meets the requirements of the regulation and does not arbitrarily exclude any LMI CTs.

In response to the COVID-19 pandemic, First Neighbor offered Paycheck Protection Plan (PPP) loans to commercial borrowers to provide relief from hardships caused by the pandemic. During the 2021 evaluation period, the bank originated 121 PPP loans totaling \$3.6 million. These loans are small loans to businesses and are part of one of the primary products reviewed this evaluation period.

Competition

Competition for deposits in the AA is strong. According to the June 30, 2021, FDIC Deposit Market Share Report, during the 2021 evaluation period, First Neighbor's deposits in the AA

totaled \$436.8 million. The bank ranked second out of 20 deposit-taking institutions in the AA with a market share of 11.8 percent. The largest institution for deposit market share in the AA was First Mid Bank and Trust N.A. at 37.8 percent market share.

According to the June 30, 2023, FDIC Deposit Market Share Report, during the 2022-2023 evaluation period, First Neighbor's deposits in the AA totaled \$471.8 million. The bank ranked second out of 23 deposit-taking institutions in the AA with a market share of 10.5 percent. The largest institution for deposit market share in the AA was First Mid Bank and Trust N.A. at 37.0 percent market share.

Demographics

Table A – Demographic Information of the Assessment Area						
Assessment Area: First Neighbor 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	29	0.0	13.8	75.9	6.9	3.4
Population by Geography	117,957	0.0	15.7	70.9	9.0	4.4
Housing Units by Geography	53,211	0.0	17.7	71.3	8.9	2.1
Owner-Occupied Units by Geography	32,943	0.0	14.6	74.4	10.6	0.4
Occupied Rental Units by Geography	14,411	0.0	23.4	64.9	6.6	5.1
Vacant Units by Geography	5,857	0.0	21.2	70.0	4.9	4.0
Businesses by Geography	7,118	0.0	20.7	69.8	8.2	1.3
Farms by Geography	875	0.0	6.9	84.0	9.1	0.0
Family Distribution by Income Level	30,508	22.4	17.9	21.2	38.5	0.0
Household Distribution by Income Level	47,354	26.1	16.3	17.3	40.3	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$93,870
			Median Gross Rent			\$615
			Families Below Poverty Level			12.1%
<i>Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: First Neighbor 2022-2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	31	0.0	19.4	67.7	12.9	0.0
Population by Geography	114,347	0.0	19.4	66.8	13.8	0.0
Housing Units by Geography	55,442	0.0	20.2	65.8	14.0	0.0
Owner-Occupied Units by Geography	34,364	0.0	14.3	71.8	14.0	0.0
Occupied Rental Units by Geography	14,905	0.0	32.4	53.4	14.1	0.0
Vacant Units by Geography	6,173	0.0	23.6	62.7	13.7	0.0
Businesses by Geography	8,905	0.0	19.5	67.6	12.9	0.0
Farms by Geography	1,020	0.0	5.7	84.9	9.4	0.0
Family Distribution by Income Level	31,515	20.0	19.7	21.5	38.9	0.0
Household Distribution by Income Level	49,269	24.5	16.4	17.9	41.2	0.0
Median Family Income Non-MSAs - IL		\$68,958	Median Housing Value			\$103,158
			Median Gross Rent			\$679
			Families Below Poverty Level			10.0%
<i>Source: 2020 U.S. Census and 2023 D&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>						

Population

During the 2021 evaluation period according to the 2015 ACS Census data, the area population was 117,957 with zero residing in low-income CTs, 18,577 (15.7 percent) residing in moderate-income CTs, 83,637 (70.9 percent) residing in middle-income CTs, 10,598 (9.0 percent) residing in upper-income CTs and 5,145 (4.4 percent) residing in the undefined CT. There were 47,345 households in the AA. The distribution of households by income level was 12,348 (26.1 percent) low-income, 7,708 (16.3 percent) moderate-income, 8,198 (17.3 percent) middle-income, 19,100 (40.3 percent) upper-income. Median household income was \$45,709.

During the 2022-2023 evaluation period according to the 2020 ACS Census data, the area population was 114,347 with 0 residing in low-income CTs, 19,331 (16.9 percent) residing in moderate-income CTs, 71,820 (62.8 percent) residing in middle-income CTs, and 23,196 (20.3) residing in upper-income CTs. There were 49,269 households in the AA. The distribution of households by income level was 12,068 (24.5 percent) low-income, 8,099 (16.4 percent) moderate-income, 8,796 (17.9 percent) middle-income, 20,306 (41.2 percent) upper-income. Median household income was \$54,412.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), unemployment rates for all counties have improved from the peak unemployment rates in first quarter 2021 and are comparable with state levels. Clark County had the highest unemployment rate of 4.6 as of December 31, 2023, and Cumberland County had the lowest rate of 3.5 percent as of December 31, 2023. The state and national unemployment rates were 4.5 percent and 3.7 percent respectively, in December 2023.

Area	Annual Unemployment Rates			
	2021	2022	2023	Peak
Clark County	5.2%	4.4%	4.6%	7.5%
Coles County	5.3%	4.4%	4.4%	6.5%
Cumberland County	4.3%	3.6%	3.5%	5.7%
Douglas County	3.9%	3.4%	3.6%	4.7%
Edgar County	4.2%	3.6%	3.7%	5.1%
Moultrie County	NA	3.4%	3.6%	4.2%
State of Illinois	6.1%	4.6%	4.5%	7.8%
National	3.9%	3.5%	3.7%	6.4%
<i>Source: U.S. Department of Labor, Bureau of Labor Statistics. Rates are not seasonally adjusted. Unemployment rates are as of December 31 of each year. Peak is derived from first quarter 2021 data.</i>				

Industries driving the local economy include agriculture, manufacturing, healthcare, education, and retail. The largest employers in the AA include Sarah Bush Lincoln Health Center, Eastern Illinois University, The Libman Company, Rural King and the local school districts. In addition, many residents commute to Champaign, Illinois, Effingham, Illinois, and Terre Haute, Indiana for additional employment opportunities.

During the 2021 evaluation period, based on the 2015 ACS Census data and the 2021 Dun and Bradstreet data, 7,118 business are located in the AA. Of these businesses, zero are in low-income CTs, 1,472 (20.7 percent) are in moderate-income CTs, 4,971 (69.8 percent) are in middle-income CTs, 585 (8.2 percent) are in upper-income CTs and 90 (1.3 percent) are in the undefined CT. Business in the AA are 79.1 percent small businesses with gross annual revenues of \$1 million or less, 5.0 percent businesses with gross annual revenues over \$ 1 million, and 15.9 percent where businesses did not report revenue information.

During the 2022-2023 evaluation period, based on the 2020 ACS Census data and the 2023 Dun and Bradstreet data, 8,905 business are located in the AA. Of these businesses, zero are in low-income CTs, 1,737 (19.5 percent) are in moderate-income CTs, 6,023 (67.6 percent) are in middle-income CTs, and 1,145 (12.9 percent) are in upper-income CTs. Business in the AA are 82.9 percent small businesses with gross annual revenues of \$1 million or less, 3.9 percent businesses with gross annual revenues over \$ 1 million, and 13.2 percent where businesses did not report revenue information.

Community Contact

The OCC relied on information provided from two community contacts with housing and financial development and education organizations serving the AA during this evaluation. Identified credit needs include financial literacy education and credit repair programs, down payment assistance for home buyers, and support for small businesses.

Scope of Evaluation in Illinois

First Neighbor has one AA in the state of Illinois, and we completed a full-scope review of this AA.

Conclusions With Respect to Performance Tests in Illinois

Lending Test

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review the bank's lending performance in the State of Illinois is **Outstanding**.

Distribution of Loans by Income Level of the Geography

The bank exhibits **excellent** geographic distribution of loans in the state. We did not identify any unexplained conspicuous lending gaps in the AA.

Small Loans to Businesses

Refer to Table Q in the state of Illinois 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.

During the 2021 evaluation period, First Neighbor exhibits reasonable geographic distribution of small loans to businesses in the AA. Lending to moderate-income CTs is near to the demographic comparator for percentage of businesses and exceeds the aggregate lending comparator in the AA. There are no low-income CTs in the AA.

During the 2022-2023 evaluation period, First Neighbor exhibits excellent geographic distribution of small loans to business in the AA. Lending in moderate-income CTs exceeds the demographic comparator for percentage of businesses and exceeds the aggregate lending comparator in the AA. There are no low-income CTs in the AA.

Consumer Loans

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

During both evaluation periods, First Neighbor exhibits reasonable distribution of loans to individuals of different income levels in the AA. Lending in the moderate-income CTs exceeds the demographic comparator in the 2021 and 2022-2023 evaluation periods.

Distribution of Loans by Income Level of the Borrower

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

Small Loans to Businesses

Refer to Table R in the state of Illinois 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.

For both the 2021 and 2022-2023 evaluation periods, First Neighbor exhibits excellent distribution of loans to businesses of different sizes in the AA. Lending exceeded the demographic comparators for percentage of small businesses and significantly exceeded the aggregate comparators. Of the loans sampled for the 2021 evaluation period, 100 percent were to small businesses and for the 2022-2023 evaluation period, 90 percent of the loans sampled were to small businesses.

Consumer Loans

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

For both 2021 and 2022-2023 evaluation periods, First Neighbor exhibits excellent distribution of consumer loans in the AA. Lending to low-income borrowers exceeded the demographic comparator, and lending to moderate-income borrowers significantly exceeded the demographic comparator in both evaluation periods.

Responses to Complaints

First Neighbor did not receive any complaints regarding its CRA performance during the evaluation periods.

Community Development Test

The bank's performance under the Community Development Test in the state of **Illinois** is rated **Outstanding**.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development Loans

Refer to the Community Development Loan table below for the facts and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
AA	116	87.2%	\$16,168	84.2%
Out of AA	17	12.8%	\$3,030	15.8%

First Neighbor's level of CD lending provided excellent responsiveness to community credit needs in the AA. During the evaluation period, First Neighbor originated 116 CD loans totaling 16.2 million or 25.9 percent of tier 1 capital as of December 31, 2023. CD loans consisted of the following:

- \$2.5 million in 35 business loans and \$13.6 million in 80 farm loans were in economic development used to assist small farms and businesses within the AA or nationally declared disaster areas due to the COVID-19 Pandemic.
- One loan in the amount of \$12 thousand supported the purchase of a firetruck as an essential community service.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
AA	0	0	155	2,982	155	100%	2,982	100%	0	0

* *Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.*
 ** *Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.*

The level of qualified investments reflects excellent responsiveness to community needs in the AA. First Neighbor made 155 investments and grants/donations totaling \$2.9 million to organizations providing community services to LMI individuals in the AA and declared national disaster areas. Qualified investments represent 4.8 percent of tier 1 capital as of December 31, 2023.

First Neighbor provided 134 grants/donations totaling \$56,110 to organizations providing community services to LMI individuals and economic development in the AA.

First Neighbor received a credit of \$360,300 for one bank qualified obligation school bond benefitting a school district in the AA that was in an area declared to be a national disaster due to the COVID-19 pandemic.

First Neighbor received partial credit of \$1.6 million for 12 general obligation school bonds benefitting as school district in the AA where 46 percent of students participate in the free or reduced lunch program. First Neighbor received partial credit of \$955,392 for 8 general obligation school bonds benefitting a school district in the AA where 32 percent of students participate in the free or reduced lunch program.

Extent to Which the Bank Provides Community Development Services

First Neighbor provided an adequate level of CD services in the AA. During the evaluation period, 18 employees performed CD services supporting 21 non-profit organizations providing community services to LMI individuals, five organizations assisting in the economic development of small businesses, and one organization supporting affordable housing for low- and moderate- income individuals and families in the AA. Employees served in a variety of roles providing financial and technical expertise. One employee taught financial literacy in a local high school. Eighteen employees served in leadership roles, primarily as a board member and/or officer of non-profit organizations.

Appendix A: Scope of Examination

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

Time Period Reviewed:	1/1/2021-12/31/2023	
Bank Products Reviewed:	Small business and consumer loans Community development loans, qualified investments, community development service.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
AA includes: Clark, Coles, Cumberland, Douglas, Edgar and Moultrie Counties	Full-scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS First Neighbor Bank, National Association			
Overall Bank:	Lending Test Rating	CD Test Rating	Overall Bank/State/Multistate Rating
First Neighbor Bank, National Association	Outstanding	Outstanding	Outstanding
State:			
Illinois	Outstanding	Outstanding	Outstanding

Appendix C: Definitions and Common Abbreviations

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: 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

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 30th 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 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.
- 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.

Table Q: 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
First Neighbor 2021	20	\$1,580	100%	1,751	0.0	0	0.0	20.7	20.0	15.6	69.8	80.0	73.7	8.2	0.0	9.4	1.3	0	1.3
<i>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%</i>																			

Table Q: 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
First Neighbor 2022-2023	20	\$819	100%	1,593	0.0	0.0	0.0	19.5	25.0	12.0	67.6	40.0	79.5	12.9	35.0	8.5	0.0	0.0	0.0
<i>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%</i>																			

Table R: 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	
First Neighbor 2021	20	\$1,580	100%	1,751	79.1	100.0	53.9	5.0	0	15.9	0	
<i>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%</i>												

Table R: 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	
First Neighbor 2022-2023	20	\$819	100%	1,593	82.9	90.0	55.0	3.9	10.0	13.2	0.0	
<i>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%</i>												

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2021	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
First Neighbor 2021	20	\$101	100%	0.0	0.0	17.3	20.0	71.5	80.0	9.4	0.0	1.8	0.0	
<i>Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%</i>														

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2022-23	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
First Neighbor 2022-2023	20	\$253	100%	0.0	0.0	19.8	20.0	66.2	65.0	14.0	15.0	0.0	0.0	
<i>Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data. Due to rounding, totals may not equal 100.0%</i>														

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2021	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
First Neighbor 2021	20	\$101	100%	26.1	30.0	16.3	35.0	17.3	30.0	40.3	5.0	0.0	0.0	
<i>Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%</i>														

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2022-23	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
First Neighbor 2022-2023	20	\$253	100%	24.5	25.0	16.4	30.0	17.9	25.0	41.2	20.0	0.0	0.0	
<i>Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data. Due to rounding, totals may not equal 100.0%</i>														