



PUBLIC DISCLOSURE

February 5, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Blanchester
Charter Number: 8588

121 East Main Street
Blanchester, OH 45107

Office of the Comptroller of the Currency
655 Metro Place South, Suite 625
Dublin, OH 43017

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

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

The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio is reasonable.
- A majority of the bank's loans are inside the assessment area (AA).
- There is an excellent distribution of loans to individuals of different income levels.
 - The bank's distribution of consumer lending to low- and moderate-income (LMI) borrowers is excellent over the three-year evaluation period.
 - The bank's distribution of home mortgage loans to LMI borrowers is excellent over the three-year evaluation period.

Loan-to-Deposit Ratio

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

The First National Bank of Blanchester's (FNB or bank) quarterly average LTD ratio over the 17 quarters since the previous Community Reinvestment Act (CRA) Performance Evaluation (September 30, 2019, to September 30, 2023) is 63.3 percent. The ratio ranged from a high of 72.1 percent as of December 31, 2019, to a low of 55.4 percent as of March 31, 2023. The quarterly average LTD ratio for similarly situated financial institutions located in or near the AA (Clinton or Warren County) was 98.4 percent for the same period. The custom peer group consisted of one bank in Clinton County and one bank headquartered in Warren County. Asset sizes of peer banks range from \$99 million to \$210 million, with quarterly average LTD ratios of 99.8 percent and 96.9 percent. FNB has the lowest LTD ratio of the group; however, FNB is the smallest with \$78.6 million in total assets as of December 31, 2023.

FNB's size and lack of a secondary market-oriented mortgage lending operation limit the bank's capacity in comparison to some peer group members. Overall, performance is reasonable.

Lending in Assessment Area

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

FNB originated and purchased 57.5 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 | 32 | 53.3 | 28 | 46.7 | 60 | 3,918 | 50.8 | 3,788 | 49.2 | 7,706 |
| Consumer | 37 | 61.7 | 23 | 38.3 | 60 | 514 | 66.1 | 263 | 33.9 | 777 |
| Total | 69 | 57.5 | 51 | 42.5 | 120 | 4,432 | 52.2 | 4,051 | 47.8 | 8,483 |

Source: 2021, 2022, and 2023 Bank Data, based on transaction testing.
Due to rounding, totals may not equal 100.0%.

Description of Institution

FNB is a wholly owned subsidiary of a one-bank holding company, First Blanchester Bancshares, Inc. The bank and holding company are in Blanchester, Ohio, approximately 30 miles northeast of Cincinnati, Ohio. FNB is a retail-lending based financial institution, with its main office being the only physical location. The main office has an automated teller machine (ATM) and drive-up and is in a middle-income census tract (CT). The bank offers traditional loan and deposit products with a focus on 1-4 family home mortgage loans, including investor-owned residential real estate (IORR), and consumer loans. FNB originates small dollar consumer loans with loan origination amounts starting at \$1,000. Total assets of the bank as of December 31, 2023, are \$78.6 million. Total bank assets have increased by 24.7 percent from \$63 million as of the last CRA evaluation (June 30, 2019). Net loans total \$44.6 million, or 56.7 percent of total assets. Net loans have increased 15.9 percent from the last CRA evaluation, when \$38.5 million was reported. Tier 1 capital is \$7.8 million. There were no merger or acquisition activities during the evaluation period.

FNB is a single-state institution with one rating area (Ohio). There is one AA comprised of four CTs. Three CTs are in Clinton County (a non-metropolitan area) and one CT (#324) is in Warren County (a Cincinnati Multi-State Metropolitan Area). FNB is in the southwestern portion of Clinton County, very near the Warren County line. CT #324 does not extend substantially beyond the non-MSA boundary of Clinton County; therefore, it was included in the Non-MSA AA. The entire AA is contiguous, meets the requirements of the regulation, and does not arbitrarily exclude any LMI areas.

FNB serves the AA with traditional deposit accounts and loans. Home mortgage and consumer loans are the primary products. A home mortgage lending orientation is reflected on the December 31, 2023, Consolidated Report of Condition and Income (Call Report), as loans secured by residential real estate totaled almost \$37 million, or 82 percent of total loans and leases. The remainder of the loan portfolio consisted of 6 percent consumer, 10 percent commercial and industrial and commercial real estate (business loans), and 2 percent farm. However, in terms of recent loan origination activity, the bank has originated many relatively small dollar amount consumer loans, which influences the Office of the Comptroller of the Currency's (OCC) view that consumer loans are also a primary product for FNB.

FNB's lending activities are consistent with its size, expertise, financial capability, and local economic conditions. There are no financial, legal, or other factors that impede the bank's ability to help meet the credit needs in the AA. The previous CRA evaluation was completed as of September 24, 2019, and resulted in a rating of "Satisfactory".

Scope of the Evaluation

Evaluation Period/Products Evaluated

The 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 OCC analyzed lending activity in full-year increments during the evaluation period, January 1, 2021, to December 31, 2023.

The OCC evaluated the bank's lending performance based on its primary lending products, home mortgage and consumer lending. Home mortgage loans represented 34.1 percent of the number of loans originated and purchased during the evaluation period and consumer loans represented 59.5 percent. Home mortgage loans represented 84.7 percent of the dollar volume of loans originated and purchased during the evaluation period and consumer loans represented 11.2 percent. The OCC transaction tested home mortgage and consumer loans for each year of the evaluation period. Examiners tested 20 loans per year per primary product, if available. A minimum of at least 20 loans were needed in a loan product and in each analysis period for a meaningful analysis.

For analysis purposes, the OCC compared the bank's lending performance with demographic data from the 2015 American Community Survey (ACS) U.S. Census for 2021 home mortgage and consumer loans and the 2020 U.S. Census for 2022 and 2023 home mortgage and consumer loans. There are two sets of tables in Appendix D for the different census periods. 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 non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

FNB has one AA in Ohio, as described in the "Description of Institution" and "Description of Institution's Operations in Ohio" sections of this evaluation. The OCC completed a full-scope review of the Non-MSA AA.

Ratings

The bank's overall rating is based on the state of Ohio rating. FNB operates its only office in a single state. Therefore, its overall rating is based on performance solely in Ohio. The state of Ohio rating is based on performance in the Non-MSA AA.

The OCC placed more weight on consumer lending than home mortgage lending. Approximately \$28.4 million in home mortgage loans were originated during the evaluation period compared to only \$3.8 million in consumer loans. However, 352 consumer loans were originated and only 202 home mortgage loans were originated during the evaluation period. Because the number of consumer loans is much

greater than the number of home mortgage loans, the OCC placed greater weight on consumer lending than home mortgage lending.

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 has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Ohio

CRA rating for the State of Ohio: Satisfactory.

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The bank's LTD ratio is reasonable.
- A majority of the bank's loans are inside its AA.
- The bank exhibits an excellent distribution of loans to individuals of different income levels within 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

FNB has one office location with a single ATM in Blanchester, Ohio. There is one AA comprised of four CTs. Three CTs are in Clinton County (a non-metropolitan area) and one CT (#324) is in Warren County (Cincinnati, OH-KY-IN MSA 17140). The AA meets the requirements of the regulation and does not reflect illegal discrimination or arbitrarily exclude any LMI areas. Management selected the AA based on their targeted lending territory, the area with the most deposit and lending activity, and office location. The AA is small (a portion Clinton County and a very small portion of Warren County), so when information specific to the bank's AA was unavailable, the OCC relied on Clinton County information as the reference point for the narrative below.

The four CTs that comprise the AA are middle-income. The bank practices traditional banking activities with a focus on home mortgage and consumer lending. FNB also offers personal and business accounts, mobile banking, and online banking.

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

Non-MSA AA

| Demographic Information of the Assessment Area | | | | | | |
|---|----------|-------------------|------------------------------|----------------------|---------------------|-------------------|
| Assessment Area: Non-MSA AA – 2021 | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 4 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Population by Geography | 18,886 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Housing Units by Geography | 7,622 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Owner-Occupied Units by Geography | 5,218 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Occupied Rental Units by Geography | 1,559 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Vacant Units by Geography | 845 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Businesses by Geography | 848 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Farms by Geography | 109 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Family Distribution by Income Level | 5,126 | 13.0 | 17.7 | 28.6 | 40.7 | 0.0 |
| Household Distribution by Income Level | 6,777 | 14.5 | 13.7 | 22.3 | 49.4 | 0.0 |
| Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA | | \$69,949 | Median Housing Value | | | \$131,069 |
| Median Family Income Non-MSAs - OH | | \$55,785 | Median Gross Rent | | | \$765 |
| | | | Families Below Poverty Level | | | 8.3% |
| <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> | | | | | | |

| Demographic Information of the Assessment Area | | | | | | |
|---|--------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: Non-MSA AA – 2022 and 2023 | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 4 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Population by Geography | 18,797 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Housing Units by Geography | 8,035 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Owner-Occupied Units by Geography | 5,610 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Occupied Rental Units by Geography | 1,861 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Vacant Units by Geography | 564 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Businesses by Geography | 1,234 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Farms by Geography | 131 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Family Distribution by Income Level | 5,729 | 18.8 | 17.0 | 21.8 | 42.5 | 0.0 |
| Household Distribution by Income Level | 7,471 | 19.4 | 16.1 | 18.2 | 46.3 | 0.0 |
| Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA | | \$84,990 | Median Housing Value | | | \$164,118 |
| Median Family Income Non-MSAs - OH | | \$66,684 | Median Gross Rent | | | \$771 |
| | | | Families Below Poverty Level | | | 7.7% |
| <i>Source: 2020 U.S. Census and 2022 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> | | | | | | |

Demographic Data

As of the 2015 ACS U.S. Census data in the table above, the population of the Non-MSA AA is 18,886, with 100 percent of the population living in middle-income CTs. There are four middle-income CTs in the AA. The AA includes 5,126 families and 6,777 households.

As of the 2020 U.S. Census data in the table above, the population of the Non-MSA AA is 18,797, with 100 percent living in middle-income CTs. There are four middle-income CTs in the AA. The AA includes 5,729 families and 7,471 households.

Affordable Housing Cost

According to 2015 ACS U.S. Census data, the median housing value in the AA was \$131,069 and the median family income for non-MSAs in Ohio was \$55,785. There were 7,622 housing units in the AA, of which 68.5 percent were owner-occupied, 20.5 percent were rental-occupied, and 11 percent were vacant. Low-income families made up 13 percent of the families in the AA and moderate-income families made up 17.7 percent of the families in the AA. Families living below the poverty level was 8.3 percent as referenced in the above table.

According to 2020 U.S. Census data, the median housing value in the AA was \$164,118 and the median family income for non-MSAs in Ohio was \$66,684. There were 8,035 housing units in the AA, of which 69.8 percent were owner-occupied, 23.2 percent were rental-occupied, and 7 percent were vacant. Low-income families made up 18.8 percent of the families in the AA and moderate-income families made up 17 percent of the families in the AA. Families living below the poverty level was 7.7 percent as referenced in the above table.

Job Market and Economic Conditions

Economic conditions in Clinton County are overall stable. As of November 2023, according to the U.S. Bureau of Labor Statistics (BLS), Clinton County had an unemployment rate (not seasonally adjusted) of 3.4 percent. The unemployment rate has been relatively stable during the evaluation period, though is slightly below both the Ohio and national unemployment rates of 3.6 and 3.7 percent, respectively, for the same period. The population of Clinton County has been stable, with the U.S. Census Bureau estimate for 2022 being 41,964, compared to 42,018 recorded during the 2020 U.S. Census. Primary employment sectors include manufacturing, educational services, health care, and social assistance. Significant employers in Clinton County include Ahresty Wilmington Corporation, Hitachi Astemo Americas, Inc., Amazon Prime Air, Ferno-Washington Inc., ATSG, Inc., ABX Air, Clinton Memorial Hospital Regional Health System, R&L Carriers, and Wilmington College.

Competition

Competition in Clinton County is moderate and comprised of a diverse mix of community banks, branches of large banks, and credit unions. According to the June 30, 2023, Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, there are 11 financial institutions competing in Clinton County, Ohio, with 16 offices in the county. The top five financial institutions have a combined market share of 79.1 percent, with FNB in the top five. FNB maintains the fourth largest deposit market share with 8.6 percent and \$72 million in deposits. This accounts for 100 percent of the bank's total deposits as of June 30, 2023. The top four competitors include Peoples Bank, Wilmington Savings Bank, Fifth Third Bank, National Association (N.A.), and PNC Bank, N.A., which have a combined market share of 70.5 percent.

When including Warren County along with Clinton County, competition for deposits is strong. According to the June 30, 2023, Deposit Market Share Report by the FDIC, there are 24 financial institutions competing in both Clinton and Warren Counties, with 80 offices. The top five financial institutions have a combined market share of 63.9 percent, with FNB ranked fourteenth in deposit market share at 1.3 percent. The top five include financial institutions much larger than FNB.

Strong competition for home mortgage loans also exists. As stated above, FNB's primary loan products include home mortgage lending. The bank is not a Home Mortgage Disclosure Act (HMDA) reporter and is therefore not listed on the 2022 Peer Mortgage Data Report. For reference purposes, there are 115 home mortgage lenders competing in the AA (Clinton and Warren Counties) with the top five maintaining a combined home mortgage market share of almost 29 percent according to the 2022 Peer Mortgage Data Report. The top lenders include Fifth Third Bank, N.A., Wright-Patt Credit Union, Inc., Loandepot.com, LLC, 1st National Bank, and Peoples Bank.

Community Contacts/Credit Needs

As part of the CRA performance evaluation, the OCC reviewed information provided from one interview with a representative from a social services/community development organization. General needs in Clinton County include heat/utility, food, and rent assistance. Other needs include affordable housing, more food resources, affordable center-based childcare, better wage jobs, and affordable medical care. Affordable housing is a credit need in the AA. 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. Home mortgage and consumer lending are the bank's primary lending products and were evaluated under the Lending Test. The OCC transaction tested home mortgage and consumer loans each year of the evaluation period. As stated above, the OCC placed more weight on consumer lending than home mortgage lending because the number of consumer loans is much greater than the number of home mortgage loans originated during the evaluation period.

Lending Test

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

Conclusions for Area Receiving a Full-Scope Review

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

Distribution of Loans by Income Level of the Geography

The OCC did not complete an analysis of the geographic distribution of loans as part of this review. The bank's AA is comprised entirely of middle-income geographies. Since the AA does not include any LMI CTs, a review of the geographic distribution of loans would not be meaningful.

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.

An analysis of the geographic distribution of loans in the AA would not be meaningful, as there are no LMI CTs in the 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.

An analysis of the geographic distribution of loans in the AA would not be meaningful, as there are no LMI CTs in the 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. The OCC noted that loans were made in all four geographies during the review period.

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 consumer lending to LMI borrowers is excellent, with the bank's percentages of consumer loans in LMI geographies exceeding demographic data.

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.

FNB exhibits an overall excellent distribution of home mortgage loans among borrowers of different income levels within the AA.

In the 2021 analysis, the bank's percentage of home mortgage loans originated to LMI borrowers exceeds both demographic (percentage of families) and aggregate data of other home mortgage lenders.

In the 2022 – 2023 analysis, the bank's percentage of home mortgage loans originated to low-income borrowers significantly exceeds both demographic and aggregate data. The percentage of home mortgage loans originated to moderate-income borrowers is below both demographic and aggregate data.

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. In addition, median household incomes are used in the consumer lending analysis, rather than median family incomes.

FNB exhibits an excellent distribution of consumer loans among borrowers of different income levels within the AA.

In the 2021 analysis, FNB's percentage of consumer loans to low-income borrowers exceeds demographic data (percentage of households). FNB's percentage of consumer loans to moderate-income borrowers significantly exceeds demographic data.

In the 2022 – 2023 analysis, FNB's percentage of consumer loans to low-income borrowers exceeds demographic data. FNB percentage of consumer loans to moderate-income borrowers significantly exceeds demographic data.

Responses to Complaints

There were no complaints related to the bank's CRA performance during the evaluation period.

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 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”.

| | | |
|---|----------------------------------|---|
| Time Period Reviewed: | 1/1/21 – 12/31/23 | |
| Bank Products Reviewed: | Home mortgage and consumer loans | |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| None | | |
| List of Assessment Areas and Type of Examination | | |
| Rating and Assessment Areas | Type of Exam | Other Information |
| State of Ohio | | |
| Non-MSA AA | Full-scope | The AA includes three CTs in Clinton County (9648, 9649, and 9650) and one CT in Warren County (324). |

Appendix B: Summary of State Ratings

| Ratings: The First National Bank of Blanchester | |
|---|---------------------|
| Overall Bank: | Lending Test Rating |
| The First National Bank of Blanchester | Satisfactory |
| | |
| State: | |
| Ohio | Satisfactory |

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 (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

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 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.

- 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.

State of Ohio

| Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | | 2021 |
|--|---------------------------|-----------|------------|----------------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|
| 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 | 20 | 2,750 | 100.0 | 945 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

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

| Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | | 2022-23 |
|--|---------------------------|-----------|------------|----------------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|-----------------------------------|--------------|-----------|
| 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 | 25 | 3,059 | 100.0 | 654 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

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

| Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | | | 2021 |
|--|---------------------------|-----------|------------|----------------|----------------------|--------------|-----------|---------------------------|--------------|-----------|-------------------------|--------------|-----------|------------------------|--------------|-----------|--------------------------------|--------------|-------------|
| 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 | 20 | 2,750 | 100.0 | 945 | 13.0 | 20.0 | 5.9 | 17.7 | 20.0 | 17.1 | 28.6 | 25.0 | 23.5 | 40.7 | 35.0 | 35.7 | 0.0 | 0.0 | 17.8 |

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

| Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | | | 2022-23 |
|--|---------------------------|-----------|------------|----------------|----------------------|--------------|-----------|---------------------------|--------------|-----------|-------------------------|--------------|-----------|------------------------|--------------|-----------|--------------------------------|--------------|----------------|
| Assessment Area: | Total Home Mortgage Loans | | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | |
| | # | \$ (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 | 25 | 3,059 | 100.0 | 654 | 18.8 | 32.0 | 7.2 | 17.0 | 8.0 | 25.2 | 21.8 | 28.0 | 28.4 | 42.5 | 32.0 | 25.8 | 0.0 | 0.0 | 13.3 |

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

| 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 | | |
| | # | \$ (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 | 20 | 274 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | |

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

| 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 | | |
| | # | \$ (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 | 40 | 445 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | |

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

| 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 | | |
| | # | \$ (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 | 20 | 274 | 100.0 | 14.5 | 15.0 | 13.7 | 25.0 | 22.3 | 30.0 | 49.4 | 30.0 | 0.0 | 0.0 | |

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

| 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 | | |
| | # | \$ (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 | 40 | 445 | 100.0 | 19.4 | 20.0 | 16.1 | 37.5 | 18.2 | 15.0 | 46.3 | 27.5 | 0.0 | 0.0 | |

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