



## **PUBLIC DISCLOSURE**

January 9, 2023

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The First National Bank of Germantown  
Charter Number: 86

17 N. Main Street  
Germantown, OH 45327

Office of the Comptroller of the Currency

Central Ohio – Indiana Office  
Westlake Center  
4555 Lake Forest Drive, Suite 520  
Blue Ash, OH 45242-3760

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

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## **Overall CRA Rating**

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

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

The major factors that support this rating include:

- The Lending Test rating is based on the state rating and the following overall conclusions:
  - The loan-to-deposit (LTD) ratio is reasonable.
  - A majority of the bank's loans are inside the assessment area (AA).
  - The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes given the product lines offered by the bank.

## **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 Germantown's (hereafter FNB or bank) quarterly average LTD ratio over the 14 quarters since the previous Community Reinvestment Act (CRA) evaluation (September 30, 2018, to December 31, 2021) is 71.1 percent. The ratio ranged from a high of 76.2 percent as of September 30, 2020, to a low of 65.8 percent as of December 31, 2020. The bank's quarterly average LTD ratio is reasonable when compared to financial institutions of similar size headquartered in Montgomery County, Ohio, which includes two financial institutions with total assets less than \$300 million. The other two financial institutions have an average LTD ratio of 85.4 percent, ranging from 85.1 percent to 85.7 percent.

The bank does not sell loans on the secondary market. Net loans and leases steadily increased from \$42.3 million as of December 31, 2019, to \$48.9 million as of December 31, 2021. Management stated that the bank experienced a strong loan pipeline since the beginning of the COVID-19 pandemic in 2020. During the evaluation period, total deposits grew approximately 23 percent from \$58.9 million as of December 31, 2019, to \$72.4 million as of December 31, 2021. Some of the deposit growth can be attributed to the stimulus received in 2020 and 2021 due to the COVID-19 pandemic.

## **Lending in Assessment Area**

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

The bank originated and purchased 56.2 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										
2019	21	70.0	9	30.0	30	3,660	67.8	1,737	32.2	5,397
2020 - 2021	25	62.5	15	37.5	40	3,487	61.4	2,188	38.6	5,675
Subtotal – Home Mortgage	46	65.7	24	34.3	70	7,147	64.6	3,925	35.4	11,072
Small Business	27	45.0	33	55.0	60	3,051	44.0	3,883	56.0	6,934
<b>Total</b>	<b>73</b>	<b>56.2</b>	<b>57</b>	<b>43.8</b>	<b>130</b>	<b>10,198</b>	<b>56.6</b>	<b>7,808</b>	<b>43.4</b>	<b>18,006</b>

*Source: Bank Data – Home Mortgage Disclosure Act (HMDA) data for 2019, home mortgage loan samples for 2020 and 2021, and small business loan samples for 2019, 2020, and 2021. Evaluation Period – 1/1/19 – 12/31/21.  
Due to rounding, totals may not equal 100.0%.*

## Description of Institution

FNB is a community bank headquartered in Germantown, Ohio, approximately 16 miles southwest of Dayton, Ohio. As of December 31, 2021, total assets were \$79.7 million, with \$48.9 million in net loans and leases, \$72.4 million in total deposits, and \$6.7 million in tier 1 capital. There was no merger or acquisition activity that affected the scope of the bank’s operations during the evaluation period. There is no holding company or affiliates.

FNB has one full-service office, with a drive-up facility and an automated teller machine (ATM). The bank’s office is in a middle-income census tract (CT). FNB has not opened or closed any branches during the evaluation period.

FNB is a single-state financial institution with one rating area (Ohio) and one AA. The AA (Dayton MSA AA) consists of four middle-income CTs (506, 601, 1501, and 1650) and one upper-income CT (1601) in Montgomery County, Ohio, in the Dayton-Kettering, Ohio Metropolitan Statistical Area (MSA) 19430. The AA is contiguous, meets the requirements of the regulation, and does not reflect illegal discrimination, nor does it arbitrarily exclude any low- and moderate-income (LMI) areas. The AA is described in the “Scope of the Evaluation” and “Description of Institution’s Operations in Ohio” sections in this performance evaluation.

As of the December 31, 2021, Consolidated Reports of Condition and Income (call report) and Uniform Bank Performance Report, FNB’s total loans were \$49.6 million, representing 62.2 percent of total assets. The bank offers a variety of traditional lending and deposit products to accommodate its customers, including business, farm, home mortgage, and consumer loans. Deposit products include standard checking, savings, and certificates of deposit (CDs). The bank also offers online and mobile banking.

The COVID-19 pandemic in 2020 impacted the local economy, including unemployment data. The Small Business Administration Paycheck Protection Program (SBA PPP) provided loans to help

businesses keep their workforces employed during the COVID-19 crisis. The bank was particularly responsive to the SBA's PPP and originated a significant volume of PPP loans in 2020 and 2021 given the bank's size and capacity. In 2020, the bank originated 51 PPP loans totaling \$3.5 million. In 2021, the bank originated 85 PPP loans totaling \$2.5 million. The SBA PPP loans were originated to businesses located in Ohio.

The bank's primary lending focus is residential real estate (home mortgage) and commercial and industrial and commercial real estate (small loans to businesses or business loans) lending. The bank's loan portfolio, as of the December 31, 2021, call report, is comprised of home mortgage loans of 61 percent, business loans of 25 percent, farm loans of 8.6 percent, and consumer loans of 5.4 percent. The bank's loan originations, based on the number of loans originated during the evaluation period (excluding SBA PPP loans), are 32.2 percent home mortgage, 25 percent business, 1.2 percent farm, and 41.6 percent consumer loans. The bank's loan originations, based on the dollar amount of loans originated during the evaluation period (excluding SBA PPP loans), are 55.7 percent home mortgage, 30.5 percent business, 4.3 percent farm, and 9.5 percent consumer loans.

There are no financial, legal, or other factors that impede the bank's ability to help meet the credit needs of its AA. FNB's previous CRA rating was Satisfactory as of the CRA Performance Evaluation (PE) dated September 24, 2018.

## **Scope of the Evaluation**

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

The Office of the Comptroller of the Currency (OCC) conducted a CRA performance evaluation to assess the bank's record of meeting the credit needs of its entire community, including LMI areas. The OCC used small bank CRA evaluation procedures to assess the bank's performance under the Lending Test. The evaluation period was January 1, 2019, to December 31, 2021.

The OCC evaluated the bank's lending performance based on their primary lending products, home mortgage and small business lending. While the bank offers other lending products, these products were not a primary product during the evaluation period. As a result, the OCC did not consider these as part of the performance evaluation, as an analysis of this data would not be meaningful. FNB's primary lending products are discussed under the "Description of Institution" section in this PE. For the Lending Test, the OCC evaluated all home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) for 2019 and transaction tested 40 home mortgage loans for years 2020 and 2021 as the bank was exempt from HMDA reporting for those years. For the small loans to businesses, the OCC transaction tested 20 loans per year for the "Lending in Assessment Area" analysis. For the geographic distribution and gross annual revenue distribution analyses, the OCC transaction tested 10 small loans to businesses per year during the evaluation period for a total of 30 loans, which was all the bank's small business loan originations during the evaluation period inside the Dayton MSA AA, excluding SBA PPP loans. The OCC relied on internal bank reports for the transaction testing of home mortgage loans and small loans to businesses originated during the evaluation period.

For analysis purposes, the OCC compared the bank's lending performance with demographic data from the 2015 American Community Survey (ACS) U.S. Census data and 2020 Dun and Bradstreet (D&B)

data. Refer to the table in appendix A, Scope of the Examination, for more information on the scope of the review.

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

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA, multistate MSA (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under the State of Ohio 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 Montgomery County, Ohio, in the Dayton-Kettering, OH MSA 19430. This AA is further described above under the “Description of Institution” section. The OCC completed a full-scope review of the Dayton MSA AA. A description of the AA is also provided in the “Description of Institution’s Operations in Ohio” section of this evaluation.

### **Ratings**

The bank’s overall rating is a blend of the state ratings. FNB has one office in Germantown, Ohio. Since the bank’s only office is in Ohio, the bank’s rating is based on the performance solely in Ohio.

The rating is based on performance in the Dayton MSA AA. By product type, home mortgage and small loans to businesses received equal weight. The OCC discussed the primary products with bank management and management agreed with these as primary products. Refer to the “Scope” section under the state rating for details regarding how the areas were weighted in arriving at the respective ratings.

### **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:

- FNB exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes given the product lines offered by the bank.
- The bank has not received any complaints about its CRA performance in helping to meet the AA's credit needs during the evaluation period.

### Description of Institution's Operations in Ohio

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

#### Dayton MSA AA

Demographic Information of the Assessment Area						
Assessment Area: Dayton MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	80.0	20.0	0.0
Population by Geography	21,559	0.0	0.0	90.8	9.2	0.0
Housing Units by Geography	9,323	0.0	0.0	91.0	9.0	0.0
Owner-Occupied Units by Geography	6,701	0.0	0.0	89.3	10.7	0.0
Occupied Rental Units by Geography	1,703	0.0	0.0	95.0	5.0	0.0
Vacant Units by Geography	919	0.0	0.0	96.5	3.5	0.0
Businesses by Geography	1,082	0.0	0.0	90.2	9.8	0.0
Farms by Geography	137	0.0	0.0	75.9	24.1	0.0
Family Distribution by Income Level	6,232	16.4	19.1	22.7	41.7	0.0
Household Distribution by Income Level	8,404	16.0	14.3	20.8	48.8	0.0
Median Family Income MSA - 19430 Dayton-Kettering, OH MSA		\$61,957	Median Housing Value			\$124,774
			Median Gross Rent			\$840
			Families Below Poverty Level			7.4%

*Source: 2015 ACS and 2020 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.*

The Dayton MSA AA includes four middle-income CTs (506, 601, 1501, and 1650) and one upper-income CT (1601) in Montgomery County, Ohio, in the Dayton-Kettering, OH MSA 19430. The bank's only office is in Germantown, Ohio, in a middle-income CT. There is a drive-up facility at the office as well as an ATM.

According to the 2015 ACS U.S. Census Data, the population of the AA is 21,559, with 90.8 percent living in middle-income CTs and 9.2 percent living in upper-income CTs. There are no LMI CTs in the AA. The AA includes 6,232 families and 8,404 households. There were no CT classification changes and no designated distressed or underserved CTs in the AA during the evaluation period.

According to the 2015 ACS U.S. Census data, the median housing value in the AA was \$124,774. Based on the weighted average of Census MSA Median Family Income of \$61,957 in the table above, low-income families make less than \$30,979 and moderate-income families make at least \$30,979 but less than \$49,566 annually. Median housing values are at least 4.0 times the annual income of low-income families and 2.5 times the annual income of moderate-income families. The housing costs relative to income may have a limiting effect on mortgage demand among some LMI families. As of the 2015 ACS U.S. Census, there are 9,323 total housing units in the AA, of which 71.9 percent are owner-occupied, 18.3 percent are rental occupied units, and 9.8 are vacant units. The median age of housing stock is approximately 58 years. The cost of homeownership in older housing stock is typically higher than in newer housing; thus, the median age of housing is also a barrier to home mortgage lending. Additionally, 7.4 percent of the families live below the poverty level, making it especially difficult for this segment of the population to afford and maintain a home or qualify for a loan.

As stated above, FNB's primary business focus includes home mortgage lending. FNB ranks 12<sup>th</sup> out of 135 lenders in Montgomery County, Ohio, in the Dayton-Kettering, OH MSA in residential home mortgage volume based on 2019 Peer Mortgage Data and 2015 ACS U.S. Census data. FNB had 2.5 percent of the lending market share, based on the number of loans, as of the 2019 Peer Mortgage Data Report, lending \$3.7 million (21 loans). Top mortgage lenders in the market area include Wright-Patt Credit Union Inc., Union Savings Bank, U.S. Bank, National Association (N.A), Huntington National Bank, and myCUMortgage LLC, with a combined market share of almost 31 percent. FNB was exempt from filing HMDA data in 2020 and 2021; therefore, the bank was not included in the 2020 and 2021 Peer Mortgage Data reports. However, as of the 2021 Peer Mortgage Data, the top five financial institutions were Union Savings Bank, Wright-Patt Credit Union, Inc., Rocket Mortgage, Fifth Third Bank, N.A., and Huntington National Bank, with a combined market share of about 32 percent.

Small business lending is a primary product in the Dayton MSA AA. According to the D&B data as of June 2020, 89 percent of the businesses located in the AA have gross annual revenues of \$1 million or less and 69.6 percent of the businesses have fewer than five employees. According to the 2020 Peer Small Business Data, 115 lenders originated or purchased a total of 8,992 small business loans in Montgomery County, Ohio, in the Dayton MSA. The top five lenders included PNC Bank, N.A, American Express National Bank, JPMorgan Chase Bank, N.A., Fifth Third Bank, N.A., and Huntington National Bank, with a combined market share of about 51 percent based on the number of loans. FNB is not included in the peer small business data report as the bank is not required to report CRA small business loan data.

Competition in the AA is strong with state and national banks, branches of larger financial institutions, and credit unions. As of the June 30, 2021, Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, FNB held \$69.1 million in deposits, which is 0.58 percent of the total deposits in this market area (Montgomery County, Ohio). As of the June 30, 2021, FDIC Deposit Market Share Report, FNB ranked 12<sup>th</sup> out of 20 deposit market competitors. The top five financial institutions with significant deposit activity in Montgomery County include Fifth Third Bank, N.A., JPMorgan Chase Bank, N.A, PNC Bank, N.A., KeyBank, N.A., and Huntington National Bank, with a combined deposit market share of 81.7 percent.

The economic conditions in the Dayton-Kettering, OH MSA have improved since the start of the COVID-19 pandemic and are overall stable per discussion with management. The "not seasonally adjusted" unemployment rate for Montgomery County, Ohio, as of December 2021, was 3.5 percent which is overall reasonable when compared with the Ohio unemployment rate of 3.4 percent and national rate of 3.7 percent (Ohio Department of Job and Family Services/Office of Workforce Development – Bureau of Labor Market Statistics, December 2021). Primary industries include government, education and health services, and manufacturing. Large employers in the Dayton-Kettering, OH MSA include Wright-Patterson Air Force Base, Kettering Health Network, Premier Health Partners, The Kroger Co., and Dayton Children's Hospital.

The OCC reviewed two community contacts that were conducted with community service organizations that serve the Dayton-Kettering, OH MSA, including Montgomery County, Ohio. One contact mentioned that access to capital for small businesses was a need in the community. The other contact mentioned that affordable housing is a need in the community, including small dollar mortgage products and down payment assistance. Overall, local financial institutions are adequately meeting the credit and community development (CD) needs of the community.

## **Scope of Evaluation in Ohio**

The OCC performed a full-scope review of the Dayton MSA AA. The data in the AA was analyzed and presented as one AA for the purposes of this evaluation. Home mortgage loans and small loans to businesses are the bank's primary lending products and were evaluated under the Lending Test. As discussed above, the OCC evaluated home mortgage lending using all 2019 HMDA data and transaction tested 40 home mortgage loans for 2020 and 2021. The OCC also transaction tested 30 small loans to businesses as discussed above under the "Scope of the Evaluation" section.

The rating is based on performance in the bank's only AA, the Dayton MSA AA. As discussed above, the OCC placed equal weight on the two primary products, home mortgage loans and small loans to businesses. Refer to the "Scope of the Evaluation" section for more details.

## **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 Dayton MSA AA is good.

Additionally, the bank was particularly responsive to the SBA's PPP with the origination of 51 SBA PPP loans totaling \$3.5 million in 2020 and 85 SBA PPP loans totaling \$2.5 million in 2021. Per discussion with management, all the PPP loans were originated to businesses located in Ohio.

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

The OCC did not perform an analysis of the geographic distribution of loans as part of this review. The bank's AA is comprised entirely of middle- and upper-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 show the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's AA is comprised entirely of middle- and upper-income CTs. Since the AA does not include any LMI CTs, a review of the geographic distribution of loans would not be meaningful.

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

Refer to Table Q in the State of Ohio section of appendix D for the facts and data used to show the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank's AA is comprised entirely of middle- and upper-income CTs. Since the AA does not include any LMI CTs, a review of the geographic distribution of loans would not be meaningful.

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

Overall, the OCC did not identify any unexplained, conspicuous gaps in the lending distribution. The OCC reviewed internal bank reports and maps to identify potential significant gaps in the distribution of loans over the evaluation period.

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

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

In evaluating the borrower income distribution of home mortgage loans and small loans to businesses, the OCC considered the level of competition and its effect on limiting the bank's ability to lend to borrowers of different incomes and businesses of different sizes, as well as the economic conditions and demographic data in the AA.

#### ***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.

The bank exhibits a reasonable distribution of home mortgage loans among borrowers of different income levels within the AA.

For loans originated in 2019, FNB's percentage of home mortgage loans to low-income borrowers is significantly below both aggregate and demographic data. FNB's percentage of home mortgage loans to moderate-income borrowers is below both aggregate and demographic data but is overall reasonable. For loans originated in 2020 and 2021, FNB's percentage of home mortgage loans to low-income borrowers is below both aggregate and demographic data but is overall reasonable. FNB's percentage of home mortgage loans to moderate-income borrowers exceeds both aggregate and demographic data.

The OCC considered other factors in the bank's performance during the evaluation period, including the cost of homeownership in the AA as an obstacle to homeownership for LMI borrowers. As stated above, overall median housing values are 2.5 to 4.0 times the weighted average of median family income of LMI families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to LMI families. Approximately 7.4 percent of the families live below the poverty level. Additionally, there is strong competition for loans in the Dayton MSA AA. As stated above, FNB's home mortgage market share of 2.5 percent as of the 2019 Peer Mortgage Data ranks them 12<sup>th</sup> out of 135 lenders in the Dayton MSA (Montgomery County), with the top five lenders accounting for almost 31 percent of the market share. Since FNB was exempt from HMDA reporting in 2020 and 2021, home mortgage market share data for FNB is not available for those years. However, competition remained strong within the Dayton MSA AA, with the top five lenders accounting for about 32 percent of the market share, as of the 2021 Peer Mortgage Data.

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

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

The OCC compared the percentage distribution of the number of small loans to businesses originated or purchased by the bank by gross annual revenue level to businesses with gross annual revenues of \$1 million or less (demographic data). The OCC also compared the bank's performance to aggregate small business data (aggregate data), as demonstrated by CRA aggregate data.

For loans originated in 2019, 2020, and 2021, the bank's distribution of small loans to businesses of different sizes is excellent. As evidenced in Table R in the State of Ohio section of Appendix D, the bank's percentage of small loans to businesses with gross annual revenues of \$1 million or less exceeded both demographic and aggregate data for the AA.

### **Responses to Complaints**

FNB has not received any complaints about its performance in helping to meet the AA's credit needs during the evaluation period.

## **Appendix A: Scope of Examination**

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

<b>Time Period Reviewed:</b>	01/01/19 – 12/31/21	
<b>Bank Products Reviewed:</b>	Home mortgage and small business loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of Ohio</b>		
Dayton MSA AA	Full-scope	The AA includes CTs 506, 601, 1501, 1601, and 1650 in Montgomery County, Ohio, in the Dayton-Kettering, OH MSA 19430.

## Appendix B: Summary of State Ratings

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RATINGS: THE FIRST NATIONAL BANK OF GERMANTOWN	
<b>Overall Bank:</b>	Lending Test Rating
The First National Bank of Germantown (FNB)	Satisfactory
<b>State:</b>	
Ohio	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

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

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

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

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

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

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

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

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

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

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

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

- 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																			2019
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Dayton MSA AA	21	3,660	100.0	842	0.0	0.0	0.0	0.0	0.0	0.0	89.3	85.7	90.0	10.7	14.3	10.0	0.0	0.0	0.0
<b>Total</b>	<b>21</b>	<b>3,660</b>	<b>100.0</b>	<b>842</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>89.3</b>	<b>85.7</b>	<b>90.0</b>	<b>10.7</b>	<b>14.3</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data, 2019 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																			2020-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Dayton MSA AA	40	5,270	100.0	1,191	0.0	0.0	0.0	0.0	0.0	0.0	89.3	80.0	90.3	10.7	20.0	9.7	0.0	0.0	0.0
<b>Total</b>	<b>40</b>	<b>5,270</b>	<b>100.0</b>	<b>1,191</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>89.3</b>	<b>80.0</b>	<b>90.3</b>	<b>10.7</b>	<b>20.0</b>	<b>9.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0%.

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2019</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Dayton MSA AA	21	3,660	100.0	842	16.4	0.0	7.5	19.1	14.3	20.1	22.7	9.5	23.8	41.7	76.2	31.2	0.0	0.0	17.5
<b>Total</b>	<b>21</b>	<b>3,660</b>	<b>100.0</b>	<b>842</b>	<b>16.4</b>	<b>0.0</b>	<b>7.5</b>	<b>19.1</b>	<b>14.3</b>	<b>20.1</b>	<b>22.7</b>	<b>9.5</b>	<b>23.8</b>	<b>41.7</b>	<b>76.2</b>	<b>31.2</b>	<b>0.0</b>	<b>0.0</b>	<b>17.5</b>

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2020-21</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Dayton MSA AA	40	5,270	100.0	1,191	16.4	7.5	9.9	19.1	25.0	22.5	22.7	32.5	22.8	41.7	35.0	25.5	0.0	0.0	19.3
<b>Total</b>	<b>40</b>	<b>5,270</b>	<b>100.0</b>	<b>1,191</b>	<b>16.4</b>	<b>7.5</b>	<b>9.9</b>	<b>19.1</b>	<b>25.0</b>	<b>22.5</b>	<b>22.7</b>	<b>32.5</b>	<b>22.8</b>	<b>41.7</b>	<b>35.0</b>	<b>25.5</b>	<b>0.0</b>	<b>0.0</b>	<b>19.3</b>

*Source: 2015 ACS Census; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0%.*

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2019-21</b>	
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	
Dayton MSA AA	30	3,450	100.0	213	0.0	0.0	0.0	0.0	0.0	0.0	90.2	66.7	89.7	9.8	33.3	10.3	0.0	0.0	0.0	
<b>Total</b>	<b>30</b>	<b>3,450</b>	<b>100.0</b>	<b>213</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>90.2</b>	<b>66.7</b>	<b>89.7</b>	<b>9.8</b>	<b>33.3</b>	<b>10.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data.  
Due to rounding, totals may not equal 100.0%.*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2019-21</b>	
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		
Dayton MSA AA	30	3,450	100.0	213	89.0	93.3	48.4	3.1	3.3	7.9	3.3		
<b>Total</b>	<b>30</b>	<b>3,450</b>	<b>100.0</b>	<b>213</b>	<b>89.0</b>	<b>93.3</b>	<b>48.4</b>	<b>3.1</b>	<b>3.3</b>	<b>7.9</b>	<b>3.3</b>		

*Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data.  
Due to rounding, totals may not equal 100.0%.*

