



PUBLIC DISCLOSURE

January 02, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank
Charter Number: 10465

302 South Main Street
Cloverdale, IN 46120

Office of the Comptroller of the Currency

Indianapolis Office
8777 Purdue Rd., Suite 105
Indianapolis, IN 46268

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 Indiana	5
Community Development.....	12
Appendix A: Scope of Examination	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

Overall CRA Rating

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

The major factors that support this rating include:

- The Lending Test rating is based on excellent performance in the State of Indiana. First National Bank (FNB or bank) originated a substantial majority of loans in its assessment area (AA) with an excellent distribution among geographies and borrowers of different income levels.
- In addition, FNB originated a notable volume of loans under the Small Business Administration's (SBA's) Paycheck Protection Program (PPP) in response to the credit needs of farms and businesses during the COVID-19 pandemic.

Loan-to-Deposit Ratio

FNB's loan-to-deposit (LTD) ratio is reasonable considering its size, financial condition, and credit needs of the AA. As calculated on a bank-wide basis, FNB's quarterly LTD ratio averaged 44.8 percent over the 12-quarter period ending December 31, 2022. During this timeframe, the LTD ratio ranged from a low of 39 percent to a high of 53.9 percent. FNB's LTD ratio was the lowest among the eight banks headquartered in the AA. The median LTD ratio for the group was 62 percent and the average LTD ratio for the other seven banks ranged from 57.2 percent to 78.9 percent. The OCC considered FNB's LTD ratio is reduced by a notable amount of unused lines of credit, unfunded construction loans, sold loans, and public funds. If the LTD were adjusted for these items, the average LTD ratio would be approximately 78 percent.

Lending in Assessment Area

A substantial majority of FNB's loans are inside its AA. By number, the bank originated 83.2 percent of its total loans inside the AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. The percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

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	472	82.2	102	17.8	574	81,115	81.0	19,012	19.0	100,127
Small Business	72	90.0	8	10.0	80	6,603	85.6	1,108	14.4	7,711
Total	544	83.2	110	16.8	654	11,812	81.3	20,120	18.7	107,838

Source: 2020-2022 HMDA Data; Small Business Loan Sample

Description of Institution

FNB is a federally chartered national bank that is wholly owned by First National Bank Corp, a single bank holding company. Both entities are headquartered in Cloverdale, Indiana, which is approximately 45 miles southwest of Indianapolis. As a community bank, FNB offers a variety of loan products, deposit accounts, and trust services for personal or business needs. Available products and services include home mortgage loans, business loans, farm loans, consumer loans, checking and savings accounts, certificates of deposit, individual retirement accounts, health savings accounts, general trust services, estate administration, and guardianship services.

FNB's primary market area includes all of Hendricks, Johnson, Morgan, and Putnam counties and a portion of Owen County. FNB operates seven offices, eight deposit-taking automated teller machines (ATMs), and one cash-dispensing ATM within this area. The main office, two branches, four deposit-taking ATMs, and the cash-dispensing ATM are in Putnam County. In addition, FNB has three offices with a deposit-taking ATM in Hendricks County, and one office with a deposit-taking ATM in Johnson County. Given this footprint, FNB has one rating area, the State of Indiana, with a single AA, the Indianapolis-Carmel-Anderson, IN MSA (Indianapolis MSA). Additional information about the AA is discussed below under the Description of Institution's Operations in Indiana.

The bank did not engage in any merger/acquisition activity during the evaluation period. As of December 31, 2022, FNB had total assets of \$437.5 million and tier 1 capital of \$34.5 million. Total deposits equaled \$411.5 million or 93.7 percent of total assets and are concentrated in Putnam County. Gross loans and leases of \$182.4 million represented 41.7 percent of total assets. The loan portfolio composition and loan originations during the evaluation period indicate lending activity is centered in commercial and home mortgage loans. In 2020 and 2021, FNB originated a notable number of PPP loans.

The following tables provide a summary of FNB's deposit data and loan portfolio composition.

Deposit Data		
County	Amount (000s)	% of Total
Hendricks	\$ 81,125	19.1%
Johnson	\$ 26,755	6.3%
Putnam	\$ 316,732	74.6%
Total	\$ 424,612	100.0%

Source: FDIC Summary Deposits Report for June 30, 2022

Loan Portfolio Composition			
Loan Category	Amount (000's)	% of Total Loans/Leases	% of Total Assets
Residential Loans	\$ 76,275	41.8%	17.4%
Farm Loans	\$ 29,051	15.9%	6.6%
Business Loans	\$ 69,727	38.2%	15.9%
Consumer Loans	\$ 4,743	2.6%	1.1%
Other Loans	\$ 2,586	1.4%	0.6%
Total Loans	\$ 182,382	100.0%	41.7%

Source: Call Report as of December 31, 2022

FNB's lending activities are consistent with its size, expertise, financial capacity, and local economic conditions. There are no legal, financial, or other factors that affect its ability to meet the credit needs of its AA. FNB received a rating of "Satisfactory" at its prior CRA evaluation dated February 16, 2021.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation considers the bank's CRA performance from January 1, 2020, to December 31, 2022. The OCC assessed this performance using the Interagency Small Bank examination procedures. These procedures comprise the Lending Test and include the following performance criteria:

- the LTD ratio;
- percentage of originated and purchased loans made inside the AA;
- lending to borrowers of different income levels and/or businesses of different sizes;
- lending in low- and moderate-income (LMI) areas within the AA; and,
- the bank's record of acting on written complaints regarding its performance in helping meet the credit needs of the AA.

To analyze FNB's performance under the Lending Test, the OCC considered data from a representative sample of the primary loan products. Therefore, the OCC evaluated relevant loan data from all home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and a random sample of business loans that included PPP loans of \$1 million or less. All qualified PPP loans more than \$1 million to businesses were considered as community development loans. In addition, all qualified PPP loans of any amount to farms were considered as community development loans since small farm loans were not selected as a primary product.

The borrower and geographic loan distributions were analyzed using two time periods, 2020-2021 and 2022. This is due to census changes that became effective in 2022. For the 2020-2021 analysis period, the demographic data being used is from the 2015 ACS and 2021 Dunn and Bradstreet (D&B). The demographic data for the 2022 analysis period is from the 2020 ACS and 2022 D&B. Unless otherwise noted, the OCC placed more weight on 2020-2021 as it represents a larger portion of the evaluation period.

Selection of Areas for Full-Scope Review

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

Ratings

FNB operates in one state with a single AA, so the rating for the State of Indiana is based on its performance in the Indianapolis MSA AA. If performance varied among loan products, results were weighted according to the number of loans originated. The OCC gave more weight to business loans than home mortgage loans.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), 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 Indiana

CRA rating for the State of Indiana: Outstanding

The Lending Test is rated: Outstanding.

The major factors that support this rating include:

- a substantial majority of loans originated or purchased inside the AA;
- an excellent overall distribution of home mortgage and small loans to businesses among geographies and borrowers of different income levels; and,
- a notable volume of PPP loans that were responsive to the credit needs of business and farms during the COVID-19 pandemic.

Description of Institution's Operations in Indiana

FNB has seven offices within a three-county area in central Indiana. The main office and two branches are in Putnam County (Cloverdale and Greencastle), three offices are in Hendricks County (Clayton, Plainfield, and Coatesville), and one office is in Johnson County (Franklin). The bank also has eight deposit-taking and one cash-dispensing ATMs. The deposit-taking ATMs are located at the main and branch offices and the cash-dispensing ATM is located at the Putnam County Hospital. Given this footprint, the bank's stated AA includes four contiguous counties in the southwestern portion of the 11-county Indianapolis MSA as well as two CTs in Owen County that share a boundary with Putnam and/or Morgan counties. However, the OCC excluded the two Owen County CTs from the AA for analysis purposes. Owen County is not part of the Indianapolis MSA and FNB does not have any facilities or make a substantial portion of its loans in these two CTs.

Additional information regarding demographic data, job market, housing cost, competition, and credit needs is discussed below. This information provides further context for FNB's operations in the Indianapolis (Indpls) MSA AA.

Indianapolis MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Indianapolis MSA (2020-2021)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	63	1.6	19.0	49.2	30.2	0.0
Population by Geography	406,133	1.0	14.4	46.0	38.6	0.0
Housing Units by Geography	158,493	1.1	15.2	47.1	36.6	0.0
Owner-Occupied Units by Geography	110,459	0.6	11.6	45.9	42.0	0.0
Occupied Rental Units by Geography	35,721	2.5	25.1	49.4	23.0	0.0
Vacant Units by Geography	12,313	1.4	18.8	51.6	28.2	0.0
Businesses by Geography	37,526	1.0	15.2	43.4	40.4	0.0
Farms by Geography	1,613	0.4	11.5	54.6	33.5	0.0
Family Distribution by Income Level	107,723	15.6	17.4	21.9	45.1	0.0
Household Distribution by Income Level	146,180	16.3	14.5	19.4	49.8	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Anderson, IN MSA		\$66,803	Median Housing Value			\$150,857
2021 FFIEC Updated Median Family Income Indianapolis-Carmel-Anderson, IN MSA		\$79,700	Median Gross Rent			\$864
			Families Below Poverty Level			6.2%
<i>Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Indianapolis MSA (2022)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	85	0.0	15.3	61.2	23.5	0.0
Population by Geography	445,059	0.0	11.0	60.3	28.7	0.0
Housing Units by Geography	168,243	0.0	12.9	61.3	25.8	0.0
Owner-Occupied Units by Geography	120,491	0.0	9.0	61.2	29.8	0.0
Occupied Rental Units by Geography	37,799	0.0	23.9	60.1	16.0	0.0
Vacant Units by Geography	9,953	0.0	17.9	67.4	14.7	0.0
Businesses by Geography	43,763	0.0	12.3	61.1	26.7	0.0
Farms by Geography	1,819	0.0	8.6	67.1	24.3	0.0
Family Distribution by Income Level	115,079	15.1	18.0	23.8	43.1	0.0
Household Distribution by Income Level	158,290	16.6	14.4	19.6	49.3	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Anderson, IN MSA		\$80,981	Median Housing Value			\$184,771
2022 FFIEC Updated Median Family Income Indianapolis-Carmel-Anderson, IN MSA		\$91,900	Median Gross Rent			\$968
			Families Below Poverty Level			4.8%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Job Market

Business demographic data from the 2020 ACS census and 2022 D&B shows the primary industries in the five-county AA are services (31.6%), retail trade (11.2%), and finance, insurance, and real estate (10.7%). In addition, a notable percentage of establishments are categorized as non-classifiable (25.5%). Some of the major employers include:

Major Employers	
Hendricks County	Mr. Electric, Amazon Fulfillment, and Duke Energy
Johnson County	Carey James, Johnson Memorial Health, and ULTA Beauty
Morgan County	Nice-Pak Products, IU Health Morgan Hospital, and Toa LLC
Putnam County	International Automotive, Walmart Distribution, and DePauw University Board of Trustees
<i>Source: STATS Indiana (Data Axle)</i>	

The average annual unemployment rate for each county in the Indianapolis MSA AA improved during the three-year evaluation period. The higher rates for 2020 reflect the impact of the COVID-19 pandemic. All counties experienced a significant spike in unemployment in April 2020 that was followed by a gradual recovery through the end of 2021 and continued improvement in 2022. The unemployment rate for all counties remained at or below the statewide rate. The following table summarizes these unemployment rates:

Average Annual Unemployment Rates				
	2019	2020	2021	2022
State of Indiana	3.3	7.3	3.9	3.0
Hendricks County	2.7	5.1	2.8	2.4
Johnson County	2.7	5.7	2.8	2.4
Morgan County	3.1	5.6	3.2	2.8
Putnam County	3.4	6.4	3.4	3.1

Source: Bureau of Labor Statistics; Rates Not Seasonally Adjusted

Housing Cost

A home mortgage loan may not be affordable for all LMI families in the AA. The demographic data in the table below shows the median housing value for the AA was at least 3.8 times the annual income of a low-income family and at least 2.4 times the annual income of a moderate-income family. Therefore, some LMI families may not be able to afford and maintain a home or qualify for a mortgage when also considering the down payment requirement, homeowner costs such as taxes and insurance, and other debt payments.

Housing Value vs Annual Income		
	2021	2022
Median Housing Value (MHV)	\$150,857	\$184,771
Median Family Income (MFI)	\$79,700	\$91,900
Low Income Level (<50% MFI)	\$39,850	\$45,950
Moderate-Income Level (<80% MFI)	\$63,760	\$73,520

Source: 2015 and 2020 ACS Census; 2021 and 2022 Updated FFIEC MFI

Competition

Competition for deposits is significant given the number and size of the financial institutions with offices in the AA. As of June 30, 2022, FDIC deposit data shows FNB and 27 other FDIC-insured national, regional, and local banks have 134 offices in the four-county AA. The top five banks, JPMorgan Chase, First Merchants, PNC Bank, Huntington National Bank, and Fifth Third Bank, hold 49.2 percent of the market share. FNB’s seven offices with deposits of \$424.6 million represent a market share of 4.4 percent. This share ranks FNB ninth among all the institutions.

Aggregate data collected from all lenders required to report home mortgage and CRA loans indicates significant competition for home mortgage and commercial loans.

- Aggregate HMDA data for 2021 shows 472 lenders originated or purchased 33,275 home mortgage loans. In 2022, 440 lenders originated or purchased 20,041 loans. The top five lenders captured 23.2 percent of the market share in 2021 and 18.1 percent in 2022. Rocket Mortgage was top lender both years with a market share of 5.7 percent in 2021 and 4.2 percent in 2022. Other top lenders in 2021 were Caliber Home Loans, Ruoff Mortgage Company, Freedom Mortgage Corporation, and GVC Mortgage, Inc. In 2022, the top lenders included Huntington National Bank, GVC Mortgage, Inc, Caliber Home Loans, and Fifth Third Bank. FNB ranked 56th in 2021 with a market share of 0.4 percent and 52nd in 2022 with a market share of 0.5 percent.

- Aggregate CRA data for 2021 shows 112 lenders originated or purchased 8,689 small loans to businesses. In 2022, 102 lenders originated or purchased 9,199 loans. The top five lenders captured 47.6 percent of the market share in 2021 and 60.8 percent in 2022. JPMorgan Chase was the top lender in both years with a market share of 18.5 in 2021 and 21.8 in 2022. Other top lenders in 2021 and 2022 were American Express, Synchrony, and Capital One. FNB is not ranked given it isn't required to report CRA loan data.

Community Contact

The OCC considered comments from a community contact for additional insight regarding credit and community development needs and opportunities in the AA. This contact works for a small business development center that supports the formation, growth, and sustainability of small businesses by providing entrepreneurs with expert guidance and access to a network of resources. According to the contact, working capital loans for small businesses is the most prominent credit need in the Indianapolis area. The contact noted newer businesses continue to face challenges with risk-adverse underwriting practices of banks. The contact also mentioned his organization receives requests from local small businesses for help with strategy, market research, business partnering, export assistance, and valuations. As such, the contact believes there is an opportunity to help both established and start-up small businesses by providing financial literacy education.

Scope of Evaluation in Indiana

The OCC performed a full-scope review of FNB's only AA, the Indianapolis MSA. Refer to the table in Appendix A: Scope of Examination for additional information.

Lending Test

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

Conclusion for Area Receiving a Full-Scope Review

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

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in the State. The OCC placed more weight on FNB's performance in moderate-income CTs since these areas had a higher percentage of owner-occupied housing units (OOHUs) and businesses than the low-income CTs.

Home Mortgage Loans

FNB's overall geographic distribution of home mortgage loans in the Indianapolis MSA AA is excellent based on the following performance:

- In 2020-2021, the AA had one low-income CT and 12 moderate-income CTs. FNB's percentage of home mortgage loans in moderate-income CTs significantly exceeded the percentage of OOHUs and aggregate percentage for all reporting lenders. FNB did not make any loans in the low-income CT; however, such performance is reasonable given the low number of OOHUs

(662 units), significant competition in Morgan County (256 reporting lenders in 2020 and 263 reporting lenders in 2021), and distance from FNB offices (15-20 miles).

- In 2022, the AA had no low-income CTs and 13 moderate-income CTs. FNB's percentage of home mortgage loans in moderate-income CTs significantly exceeded the percentage of OOHUs and aggregate percentage for all reporting lenders.
- During the evaluation period, FNB originated a total of 472 home mortgage loans. Of this total, 105 loans, or 22.2 percent, were made in a moderate-income CT.

Refer to Table O in the state of Indiana 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.

Small Loans to Businesses

FNB's overall geographic distribution of small loans to businesses in the Indianapolis MSA AA is excellent based on the following performance:

- In 2020-2021, FNB's percentage of small loans to businesses in moderate-income CTs exceeded the percentage of businesses and aggregate percentage for all reporting lenders. FNB did not make any loans in the low-income CT; however, such performance is reasonable given the low number of businesses (375 businesses), strong competition in Morgan County (55 reporting lenders in 2020 and 58 reporting lenders in 2021), and distance from FNB offices (15-20 miles).
- In 2022, FNB's percentage of small loans to businesses in moderate-income CTs exceeded the percentage of businesses and aggregate percentage for all reporting lenders.
- The OCC analyzed a sample of 78 small loans to businesses that FNB originated during the evaluation period. Of this total, 15 loans, or 19.2 percent, were to businesses in a moderate-income CT.

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

Lending Gap Analysis

The OCC did not identify any unexplained, conspicuous gaps in FNB's geographic distribution of home mortgage and small business loans.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. The OCC considered the impact of housing costs in relation to median family income, percentage of families below poverty, competition, pandemic environment, and rising interest rates.

Home Mortgage Loans

FNB's overall borrower distribution of home mortgage loans in the Indianapolis MSA AA is excellent based on the following performance:

- In 2020-2021, FNB's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and aggregate percentage for all reporting lenders. FNB's percentage of home mortgage loans to low-income borrowers was below the

percentage of low-income families but exceeded the aggregate percentage for all reporting lenders.

- In 2022, FNB's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate percentage for all reporting lenders. FNB's percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families but exceeded the aggregate percentage for all reporting lenders.
- During the evaluation period, FNB originated a total of 472 home mortgage loans. Of this total, 100 loans, or 21.2 percent, were to moderate-income borrowers and 54 loans, or 11.4 percent, were to low-income borrowers.

Refer to Table P in the state of Indiana 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.

Small Loans to Businesses

FNB's overall borrower distribution of small loans to businesses in the Indianapolis MSA AA is excellent based on the following performance:

- In 2020-2021, FNB's percentage of small loans to businesses with revenues less than \$1 million was near the percentage of such businesses and significantly exceeded the aggregate percentage for all reporting lenders.
- In 2022, FNB's percentage of small loans to businesses with revenues less than \$1 million was below the percentage of such businesses but exceeded the aggregate percentage for all reporting lenders.
- The OCC analyzed a sample of 78 small loans to businesses that FNB originated during the evaluation period. Of this total, 63 loans, or 80.8 percent, were to businesses with revenues less than \$1 million.

Refer to Table R in the state of Indiana 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.

Responses to Complaints

FNB did not receive any complaints regarding its CRA performance during the evaluation period.

Community Development

FNB exhibits excellent responsiveness to CD lending needs, considering its capacity, business strategy, and the availability of such opportunities in the AA. In 2020 and 2021, FNB offered loans through the SBA's PPP. This program was developed to help businesses and farms keep their workforce employed during the COVID-19 pandemic. CD lending had a positive impact on the Lending Test rating.

FNB's participation in the SBA's PPP was responsive to the credit needs of businesses and farms and enhanced the credit availability of this loan product. In 2020 and 2021, FNB originated a total of 650 PPP loans totaling nearly \$33.6 million. The following table summarizes the number and dollar amount of PPP loans to farms and businesses that the OCC qualified as CD loans. Loans made before October 1, 2020, were qualified under the 1995 Rule, while loans made after this date were qualified under the June 2020 Rule. The totals reported below include PPP loans of any loan amount to farms or PPP loans in an amount over \$1 million to businesses that had a CD purpose as defined by the governing CRA rule.

Community Development Loans				
	Total Loans			
Assessment Area	# of Loans	% of Total #	\$ (000s)	% of Total \$
Indianapolis MSA AA	124	87.3	7,762	96.4
Indiana Statewide	18	12.7	292	3.6
Totals	142	100.0	8,054	100.0

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:	01/01/2020 to 12/31/2022	
Bank Products Reviewed:	Home Mortgage, Small Business, and CD Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Indiana		
Indianapolis-Carmel-Anderson MSA	Full Scope	Hendricks, Johnson, Morgan, and Putnam Counties

Appendix B: Summary of MMSA and State Ratings

RATINGS First National Bank	
Overall Bank:	Lending Test Rating
First National Bank	Outstanding
State:	
State of Indiana	Outstanding

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

- Table 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.

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	
Indpls MSA	375	64,047	100.0	33,275	0.6	0.0	0.6	11.6	24.3	10.3	45.9	62.7	42.0	42.0	13.1	47.2	0.0	0.0	0.0	
Total	375	64,047	100.0	33,275	0.6	0.0	0.6	11.6	24.3	10.3	45.9	62.7	42.0	42.0	13.1	47.2	0.0	0.0	0.0	

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
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
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	
Indpls MSA	97	17,069	100.0	20,041	0.0	0.0	0.0	9.0	14.4	8.6	61.2	78.4	61.6	29.8	7.2	29.9	0.0	0.0	0.0	
Total	97	17,069	100.0	20,041	0.0	0.0	0.0	9.0	14.4	8.6	61.2	78.4	61.6	29.8	7.2	29.9	0.0	0.0	0.0	

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data 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																				2020-21
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Indpls MSA	375	64,047	100.0	33,275	15.6	11.7	7.3	17.4	20.3	19.8	21.9	21.9	23.2	45.1	40.3	30.7	0.0	5.9	19.1	
Total	375	64,047	100.0	33,275	15.6	11.7	7.3	17.4	20.3	19.8	21.9	21.9	23.2	45.1	40.3	30.7	0.0	5.9	19.1	

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data 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																				2022
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Indpls MSA	97	17,069	100.0	20,041	15.1	10.3	9.5	18.0	24.7	23.2	23.8	22.7	24.6	43.1	30.9	28.5	0.0	11.3	14.3	
Total	97	17,069	100.0	20,041	15.1	10.3	9.5	18.0	24.7	23.2	23.8	22.7	24.6	43.1	30.9	28.5	0.0	11.3	14.3	

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2020-21
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
Indpls MSA	58	6,086	100.0	8,646	1.0	0.0	0.6	15.2	19.0	13.1	43.4	74.1	43.7	40.4	6.9	42.5	0.0	0.0	0.0
Total	58	6,086	100.0	8,646	1.0	0.0	0.6	15.2	19.0	13.1	43.4	74.1	43.7	40.4	6.9	42.5	0.0	0.0	0.0

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022
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
Indpls MSA	20	1,962	100.0	9,150	0.0	0.0	0.0	12.3	20.0	9.3	61.1	80.0	63.6	26.7	0.0	27.1	0.0	0.0	0.0
Total	20	1,962	100.0	9,150	0.0	0.0	0.0	12.3	20.0	9.3	61.1	80.0	63.6	26.7	0.0	27.1	0.0	0.0	0.0

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2020-21
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	
Indpls MSA	58	6,086	100.0	8,646	89.2	82.8	48.9	2.8	17.2	8.1	0.0	
Total	58	6,086	100.0	8,646	89.2	82.8	48.9	2.8	17.2	8.1	0.0	
<i>Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2022
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	
Indpls MSA	20	1,962	100.0	9,150	90.5	75.0	51.7	2.3	25.0	7.2	0.0	
Total	20	1,962	100.0	9,150	90.5	75.0	51.7	2.3	25.0	7.2	0.0	
<i>Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

