



## **PUBLIC DISCLOSURE**

July 31, 2023

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

First Federal Bank  
Charter Number 706707

4705 US Highway 90 West  
Lake City, FL 32055

Office of the Comptroller of the Currency

4042 Park Oaks Blvd  
Suite 240  
Tampa, FL 33610

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 following table indicates the performance level of First Federal Bank (FFB or the bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Federal Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based performance across all rating areas. The state rating areas of Florida received greater weight in the overall rating. Lending performance reflects good responsiveness to credit needs, an adequate geographic distribution of loans, and a good distribution of loans among individuals of different income levels and businesses of different sizes. Use of flexible lending programs was considered in arriving at the overall Lending Test ratings. Community development (CD) loans had a positive impact on the state of Florida.
- The Investment Test rating is based on performance across all rating areas. The state rating areas of Florida received greater weight. The bank has a significant level of qualified investments across the rating areas, including broader statewide areas. Investments exhibit good responsiveness to credit and community development needs; and the bank occasionally uses complex investments to support CD initiatives.
- The Service Test rating is based on the performance across all rating areas. The state rating areas of Florida received greater weight. Service delivery systems are accessible to geographies and individuals of different income levels in the assessment areas (AAs). The bank provided a good level of CD services.

### Lending in Assessment Areas

A small percentage of the bank’s loans are in its AAs. FFB originated or purchased 15.3 percent of its total number loans and 10.3 percent of the dollar amount of loans inside the bank’s AAs during the evaluation period. The analysis of lending in the AAs is performed at the overall bank level, rather than for each AA. This percentage does not include extensions of credit by bank affiliates that may be considered under other performance criteria.

<b>Lending Inside and Outside of the Assessment Area – 2020-2022</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	3,528	9.3%	34,608	90.7%	38,136	828,949	8.1%	9,408,943	91.9%	10,237,892
Small Business	2,742	78.8%	739	21.2%	3,481	249,853	72.1%	96,883	27.9%	346,736
Small Farm	121	92.4%	10	7.6%	131	7,806	86.4%	1,229	13.6%	9,035
<b>Total</b>	<b>6,391</b>	<b>15.3%</b>	<b>35,357</b>	<b>84.7%</b>	<b>41,748</b>	<b>1,086,608</b>	<b>10.3%</b>	<b>9,507,055</b>	<b>89.7%</b>	<b>10,593,663</b>

The bank’s mortgage lending activity inside the assessment areas is greatly impacted by the acquisition of QRL Financial Services in 2011 and CBC National Bank Mortgage (CBC Mortgage) in 2018, which are mortgage banking affiliates that operate outside of the bank’s AAs and provide mortgage lending throughout the United States.

Small business lending in 2020-2021 includes loans made under the U.S. Small Business Administration’s Paycheck Protection Program, which totaled \$236.1 million.

If home mortgage loans are removed from the analysis and we consider small business lending, 78.8 percent of small business loans by number, and 72.1 percent of small business loans by dollar amount, were originated inside the AAs.

Small farm loans are not a primary loan product; therefore, performance in this category does not impact the overall geographic or borrower distribution of the lending conclusions. Small farm information is provided in the table for informational purposes only and was not considered in the overall analysis of the Lending Test.

Lending in the assessment areas is factored into the analysis of the bank’s geographic distribution of loans in each AA.

## **Description of Institution**

FFB is a multistate federally-chartered savings association headquartered in Lake City, Florida. FFB is a full-service bank that operates branches in North, Central, and Northwest Florida, as well as in southeastern South Carolina. The bank is a wholly-owned subsidiary of First Federal Bancorp MHC, a mutual holding company, also headquartered in Lake City, Florida, with total assets of \$282 million and the bank being the sole holding. There were no CRA related activities from bank subsidiaries to consider for this evaluation. FFB’s performance was rated “Satisfactory” at its last evaluation dated June 8, 2020.

As of December 31, 2022, the bank reported total assets of \$3.7 billion and total deposits of \$3.4 billion. Net loans total \$1.05 billion, representing 27.8 percent of assets. The loan portfolio is comprised primarily of residential real estate loans, which totaled \$405 million or 38.3 percent of total outstanding loan balances. Loans for commercial or commercial real estate purposes represented 25.6 percent of outstanding loan balances. Tier 1 capital totaled \$340 million.

The bank's primary market area is the central and northern areas of Florida where the Bank has most of its deposits and operates 23 of its 25 branches. The bank has 95.8 percent of its deposits in the Florida branches. The bank operates in 12 counties in Florida and one county in South Carolina. Branches are located in five Metropolitan Statistical Areas (MSAs), and a seven county non-MSA in Florida. Within Florida, the seven County non-MSA is the Bank's primary market area with 65.9 percent of its deposits and 13 banking offices. Within South Carolina, the bank operates in the Hilton Head-Bluffton, SC MSA with 4.2 percent of its deposits and two banking offices.

In 2018, FFB acquired CBC National Bank (CBC), a federally-chartered financial institution headquartered in Fernandina Beach, Florida. CBC Mortgage continues as a mortgage banking division with locations in Florida, Georgia, Illinois, North Carolina, Ohio, South Carolina, and Tennessee. The merger significantly expanded the Bank's mortgage lending capacity. Additionally, in 2018, the bank purchased the rights to SBA Works and made it a division of the bank. SBA Works aids small businesses and other banks in navigating the Small Business Administration (SBA) program and obtaining SBA loans. SBA Works is an online resource and that is handled through the banks retail branch network. Prior to this evaluation period the bank purchased QRL Financial Services in 2011, which is also a mortgage banking operation.

During the evaluation period, FFB faced significant challenges in its efforts to meet the credit needs in the AAs. There is significant competition in the AAs with many large national and regional financial institutions. Online institutions also have a significant presence. The limited supply of available housing for Low to Moderate (LMI) individuals in the AAs makes it challenging to make residential home loans in the AAs. The bank's primary business strategy is to be a residential mortgage lender that sells a substantial portion of its residential mortgages on the secondary market. A significant majority of the bank's mortgage loans are originated via its mortgage banking divisions, which operate primarily outside of the bank's AAs. The bank also offers a variety of small business and consumer loan products.

### ***Product Innovations and Flexibility***

The bank uses flexible lending practices in a safe and sound manner to serve credit needs both within and outside the AAs. FFB participates in a variety of affordable housing programs, small business financing programs, and sponsors a financial literacy program. The bank's participations in specific programs are shown below. Unless indicated below, the bank did not track the volume of originations during the evaluation period.

#### **Florida Housing Finance Corporation**

FFB participates in a variety of affordable homeownership programs administered by the Florida Housing Finance Corporation, through the State Housing Initiatives Partnership (SHIP) program.

#### **United States Department of Agriculture (USDA) Rural Development Program**

FFB participates in the USDA Rural Development Program that offers low down payments on mortgage loans to borrowers that meet the underwriting standards. FFB originated 94 USDA loans, which totaled \$19.6 million.

Veterans Administration (VA) Home Loan Program

FFB participates in the VA Home Loan program and originated 2,999 loans totaling \$817.3 million. This program allows veterans, active-duty service members, and surviving spouses of veterans to participate. VA home loans provide homeownership opportunities without a down payment requirement, without private mortgage insurance requirement, with competitive interest rates, with flexible credit requirements, and are VA guaranteed to reduce risk to the originating bank.

Federal Housing Administration (FHA) Loans

FFB participates in the FHA loan program to provide loans with down payments as low as 3.5 percent and with more flexible credit score requirements. FHA guarantees the loans to reduce risk to bank's originating loans as part of the program. FFB originated 2,295 FHA loans, which totaled \$460.8 million.

PenFed Dream Makers Grants

FFB participates in the down payment assistance program PenFed Dream Makers Grant program. Pentagon Federal Credit Union Foundation's program provides first-time military and veteran homebuyers with three-to-one matching grants up to \$5,000 for down payments and closing costs.

Federal Home Loan Bank (FHLB) of Atlanta Homeownership Set-Aside Program

The FHLB of Atlanta offers a Homeownership Set-Aside Program provides funding to assist low- and moderate-income borrowers with down payment, closing costs, and/or principal reduction on a home purchase or rehabilitation costs for a home impacted by a natural disaster. These funds are typically structured as a forgivable five-year second mortgages with no interest or payments, are accessible only through FHLB member institutions, and can be layered with other down payment assistance program.

FFB facilitated \$764,993 in FHLB down payment assistance funds for 212 homebuyers that enabled \$25.9 million in home purchase mortgages.

Small Business Administration (SBA) Loans

FFB directly underwrote 117 SBA guaranteed loans through two programs that totaled \$79.3 million. The bank participates in the SBA 504 Loan Program to provide long-term, fixed rate financing for major fixed assets that promote business growth and job creation. Maximum loan amounts allowed for 504 loans is \$5.5 million. For certain energy projects, the borrower can receive a 504 loan for up to \$5.5 million per project, for up to three projects not to exceed \$16.5 million total. FFB originated 14 SBA 504 loans that totaled \$17.2 million. The bank also participates in the SBA 7(a) Loan Program, which provides financial help for small businesses with special requirements. It can be used for real estate as part of a business purchase, short- and long-term working capital, refinancing current business debt, purchasing and installation of machinery and equipment, and for purchasing furniture, fixtures, and supplies. Maximum loan amount allowed for 7(a) loans is \$5 million. FFB originated 103 SBA 7(a) loans that totaled \$62.1 million.

Retail Banking Services – Banzai

FFB sponsors Banzai, an online financial education platform, at six schools with high percentages of LMI students. The software educates students at levels of high school, junior high school, and elementary school, on basic financial literacy skills. FFB sponsored at least 1,000 workbooks for students, tracked 1,730 student logins, and logged at least 830 hours of student workflow.

**COVID-19 Pandemic**

In response to the challenges of the COVID-19 pandemic, the bank responded to community needs by participating in the SBA Paycheck Protection Program (PPP) to meet the sudden credit needs of affected businesses within communities. Tourism and hospitality are both major industries within the Bank's AAs and these industries were significantly impacted by the mandated lockdowns. Bank employees worked additional hours and weekends to process loan applications. Employees in departments throughout the bank helped to process loan applications. Their work on this program helped small businesses obtain funding to pay rent, utilities, employee benefits, and process payroll during the economic shutdown. As a result of the bank's efforts, the bank successfully processed 2,379 PPP loans totaling \$236.1 million.

**Other Information – Nationwide Investments**

FFB's community development activities included investments that benefitted areas outside of the bank's AAs and broader statewide or regional areas in which the bank operates. FFB made four \$10.3 million investments in entities that include a mortgage loan pool through a community development financial institution (CDFI), investments with CDFI and low-income credit unions, and an investment in a minority depository institution. These qualified investments are given positive consideration since the bank has been adequately responsive to the needs and opportunities of its AAs.

**Scope of the Evaluation****Evaluation Period/Products Evaluated**

The evaluation period includes all reported activity from January 1, 2020, to December 31, 2022. The evaluation considers mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and small loans made to businesses reported under the CRA. We also considered the bank's community development loans, qualified investments, and community development services during the evaluation period.

As discussed under the "Lending in the Assessment Area" section of this Performance Evaluation, the bank's primary loan products during the evaluation period were home mortgage loans and small business loans. Our performance review considered home mortgage lending performance more than small business lending performance in arriving at conclusions and overall ratings.

The OCC compared bank loan data for all applicable years in the state rating areas to demographic data from the U.S. Census American Community Survey (ACS); Federal Financial Institutions Examination Council (FFIEC) adjusted median family income data; Dunn and Bradstreet (D&B) small business demographic data; peer mortgage loan data reported under HMDA; and peer small business loan data reported under CRA.

***Census Demographic Changes***

During the evaluation period, changes in the ACS resulted in changes to geographic income classifications for low-, moderate-, middle-, and upper- income census tracts (CT). Performance tables in appendix D reflect these changes—with combined 2020-2021 performance tables, and separate 2022

performance tables. However, all performance is considered in arriving at our overall conclusions and ratings. Refer to the Ratings section for more information on AA ratings considerations.

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

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For this evaluation, the Florida Non-MSA, Jacksonville, FL MSA, and Hilton Head Island-Bluffton, SC MSA were selected for full-scope reviews. Bank-delineated assessment areas located within the same MSA 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 section 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**

The bank’s overall rating is a blend of the state ratings.

The state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

When evaluating the bank’s performance, we placed greater weight on the performance in the state of Florida because this represented the bank’s most significant market in terms of deposit concentration, branch distribution, and reportable loans. As of June 30, 2022, deposits in this rating area comprised 95.8 percent of FFB total deposits. Additionally, 92 percent of the bank’s branches, as well as the majority of reportable mortgages and small business loans were originated or purchased in Florida.

Generally, under the Lending Test, equal emphasis is given to the geographic distribution of the bank’s loans and the bank’s lending by borrower income level.

### ***Housing Affordability Analysis***

We conducted an housing affordability analysis for all AAs. Our goal was to determine if either low-or moderate-income borrowers could reasonably afford a home mortgage loan in their respective AA. To determine affordability, we used the median housing value and the adjusted median family income found in the respective Table A, for each AA. We calculated a payment based on a five percent mortgage interest rate, with a 30-year loan amortization. Our analysis concluded that home mortgages were unaffordable if the principal and interest payment exceeded 30 percent of the median family income for a low- or moderate-income family.

This information was used as performance context in the borrower distribution of home mortgage loans when determined to be relevant to the performance conclusions. See the “Description of the Institution’s Operations” in each state for information relating to our determination of affordability.



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

Pursuant to 12 C.F.R. §25.28(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 assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Florida

<b>CRA rating for the State of Florida:</b>	Satisfactory
<b>The Lending Test is rated:</b>	High Satisfactory
<b>The Investment Test is rated:</b>	High Satisfactory
<b>The Service Test is rated:</b>	High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs considering the number and dollar amount of home mortgage and small business lending activities, and FFB's capacity based on AA deposits, competition, and market presence.
- The bank exhibits an adequate geographic distribution of loans in its AAs and a good distribution of loans among individuals of different income levels and business of different sizes in its AAs.
- The bank is a leader in making CD loans.
- The bank used flexible lending practices in order to serve AA credit needs.
- The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, including those that are not routinely provided by private investors.
- Service delivery systems are accessible to geographies and individuals of different income levels in the bank's AA.
- The bank provides a relatively high level of CD services.

### Description of Institution's Operations in Florida

FFB has five AAs within the state of Florida. These AAs include the Florida Non-MSA, Gainesville MSA, Jacksonville MSA, Ocala MSA, and the Panama City MSA.

In this evaluation the Florida Non-MSA and Jacksonville MSA will receive full scope reviews. For the state of Florida, the majority of loan originations by number, 42.3 percent, were in the Florida Non-MSA. The Jacksonville, FL MSA had 24.2 percent of loan originations in Florida. The Ocala, FL MSA had 21.7 percent of loan originations; the Panama City, FL MSA had 7.6 percent of loan originations; and the Gainesville, FL MSA had 4.3 percent of loan originations in Florida. Loan originations included home mortgage, small business and community development loans.

Based on the FDIC Deposit Market Share data as of June 30, 2022, FFB had a 0.3 percent deposit market share in Florida and is ranked 33rd out of 186 financial institutions doing business in the state. Deposits in Florida account for 95.8 percent of the bank's total deposits. Primary competitors include Bank of America, N.A., which ranked first in deposit market share (20.7 percent) with 459 offices, Wells Fargo Bank, N.C., which ranked second in deposit market share (12.4 percent) with 518 offices, and Truist Bank which ranked third in deposit market share (9.9 percent) with 466 offices.

FFB provides a full range of loan and deposit products and services in the state. The bank operates 23 full-service brick and mortar offices in the state. Two are in moderate-income CTs, 15 are in middle-income CTs, and six are in upper-income CTs. The branches represent 92 percent of the bank's total branch network.

## Florida Non-MSA

The Florida Non-MSA AA consists of seven, non-contiguous counties including all of Columbia, Hamilton, Holmes, Jackson, Lafayette, Suwannee, and Washington Counties. FFB is headquartered in Columbia County and has its largest presence in the same county.

Based on the FDIC Deposit Market Share data as of June 30, 2022, FFB had a 48.6 percent deposit market share in the AA and is ranked first out of 15 financial institutions doing business in the AA. The deposits account for a total of 65.9 percent of the bank's total deposits. Primary competitors include TD Bank, N.A., which ranked first in deposit market share (8.6 percent) with three offices, Regions Bank, which ranked third in deposit market share (5.8 percent) with three offices, and Ameris Bank, which ranked fourth in deposit market share (5.7 percent) with two offices.

FFB provides a full range of loan and deposit products and services in the AA. The bank operates 13 full-service brick and mortar offices; two are in moderate income CTs, eight are in middle income CTs, and three are in upper income CTs. The branches represent 52 percent of the bank's total branch network.

The Florida Non-MSA AA represents 60 census tracts with income designations as follows: twelve moderate-income tracts, 36 middle-income tracts, nine upper-income tracts, and three have not been assigned an income classification. These counties do not have any low-income tracts. The percentage of families living below the poverty line is 17.8 percent. Strong competition exists for financial services within FFB's AA, which includes nationwide and regional institutions. According to the U.S. Bureau of Labor Statistics, as of June 30, 2023, Columbia County's unemployment rate was 3.4 percent, which was slightly lower than the national average of 3.6 percent.

The bank is ranked third among 420 lenders with a market share of 3.5 percent based on the number of loans reported. The bank's average mortgage size is \$188,000. The top mortgage lender in the AA is 21<sup>ST</sup> Mortgage is rank one with 12.1 percent market share, based on the number of loans; followed by Rocket Mortgage with 4.3 percent market share.

In small loans to businesses, the bank is ranked two among 100 lenders with a 12.2 percent market share. The bank's average small business loan size in the AA is \$75,000. The top small business lender is American Express National Bank with 16.4 percent market share and Synchrony Bank was rank three with a 6.8 percent market share.

### *Housing affordability*

The FFIEC estimated median family income for non-MSA areas in Florida is \$60,700, as of year-end 2022. The median sales prices of existing single-family homes according to the National Association of Realtors was \$250,962, in March 2023, within Columbia County. This housing price would require a mortgage payment of \$1,347 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$30,350 per year (or less than 50 percent of the 2022 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$759 per month.

A moderate-income borrower making \$48,560 per year (or less than 80 percent of the 2023 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,214 per month. This illustrates how LMI borrowers are challenged to afford, or qualify for, a home purchase loan in the AA.

As part of this evaluation, the OCC conducted a community contact with a local economic development organization within the AA. The contact reported the following needs within the AA.

- Invest in workforce development programs
- Affordable housing development and rehabilitation
- Investment in redevelopment of underutilized urban areas
- Fund infrastructure development and improvement

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Florida Non-MSA 2022</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	60	0.0	20.0	60.0	15.0	5.0
Population by Geography	227,692	0.0	18.0	65.0	14.4	2.6
Housing Units by Geography	98,598	0.0	18.6	66.2	14.0	1.3
Owner-Occupied Units by Geography	60,016	0.0	16.1	68.4	14.4	1.1
Occupied Rental Units by Geography	20,745	0.0	21.3	62.1	15.5	1.1
Vacant Units by Geography	17,837	0.0	23.5	63.5	10.8	2.1
Businesses by Geography	25,871	0.0	17.7	67.2	14.4	0.6
Farms by Geography	1,916	0.0	14.3	69.8	15.0	0.8
Family Distribution by Income Level	53,520	19.5	19.5	20.9	40.2	0.0
Household Distribution by Income Level	80,761	23.9	17.6	17.1	41.4	0.0
Median Family Income Non-MSAs - FL		\$53,858	Median Housing Value			\$113,305
			Median Gross Rent			\$735
			Families Below Poverty Level			12.6%
<i>Source: 2020 U.S. Census and 2022 D&amp;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>						

## Jacksonville MSA

The bank's AA in the Jacksonville, FL MSA is a portion of the MSA that includes Baker and Nassau counties.

Based on the FDIC Deposit Market Share data as of June 30, 2022, FFB had a 28.8 percent deposit market share in this AA and is ranked first out of 12 financial institutions doing business within the AA. The deposits account for 19.2 percent of the bank's total deposits. Primary competitors include Wells

Fargo Bank, N.A., which ranked second in deposit market share (21.6 percent) with four offices, Bank of America, N.A., which ranked third in deposit market share (9.6 percent) with two offices, and Synovus Bank, which ranked fourth in deposit market share (8.4 percent) with two offices.

FFB provides a full range of loan and deposit products and services in the MSA. The bank has four full-service brick and mortar offices in the AA; three are middle-income CTs and one is an upper income CT. The branches represent 16 percent of the bank's total branch network.

The AA meets the legal requirements of CRA and does not arbitrarily exclude LMI geographies. According to the 2020 U.S. Census data, the AA consists of 28 CTs, of which none are low-income, three are moderate-income, 15 are middle-income, eight are upper-income, and two have not been assigned an income classification. None of the bank's branches are in moderate census tracts. The percentage of families living below the poverty level is 7.9 percent. Strong competition exists for financial services within FFB's AA, which includes nationwide and regional institutions. According to the U.S. Bureau of Labor Statistics, as of June 30, 2023, the unemployment rates in Baker and Nassau counties were 2.9 percent and 2.8 percent, respectively. These unemployment rates were lower than the national average of 3.6 percent, as of June 30, 2023.

The bank is ranked 13 among 452 lenders with a market share of 1.7 percent based on the number of loans reported. The bank's average mortgage loan size in the AA is \$345,000. The top mortgage lender in the AA is Vystar Credit Union with 7 percent market share, based on the number of loans; followed by Rocket Mortgage with 3.7 percent and United Wholesale Mortgage with 3.5 percent.

In small loans to businesses, the bank is ranked fourth among 86 lenders with a 7.4 percent market share. The bank's average small business loan size in the AA is \$88,000. The top three small business lenders were American Express National Bank with 20.1 percent market share, Wells Fargo Bank, N.A. with 10.3 percent market share, and Bank of America, N.A. with 8.5 percent market share.

As reported by Moody's Analytics, Jacksonville MSA's four largest employers are: Naval Air Station Jacksonville, Baptist Health, Naval Station Mayport, and Mayo Clinic.

### *Housing affordability*

The FFIEC estimated median family income for the Jacksonville MSA at \$86,100, as of year-end 2022. According to the National Association of Realtors the median sales prices of existing single-family homes in the Jacksonville MSA was \$299,950 in January 2020 and \$389,000 in December 2022, a 29.7% increase. The 2022 housing price would require a mortgage payment of \$2,088 based on a 30-year mortgage with an five percent interest rate. Based on this data and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$43,050 per year (or less than 50 percent of the 2022 FFIEC median family income for the MSA) could afford a mortgage payment of \$1,076 per month. A moderate-income borrower making \$68,880 per year (or less than 80 percent of the 2022 FFIEC median family income for the MSA) could afford a mortgage payment of \$1,722 per month. This illustrates how LMI borrowers are challenged to afford, or qualify for, a home purchase loan in the AA.

The OCC made three community contacts from three non-profit social services organizations working in the MSA. The contacts reported the following needs within the AA.

- Rental assistance
- Workforce development
- Financial support to fund nonprofit operational capacity.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Jacksonville MSA 2022</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	28	0.0	10.7	53.6	28.6	7.1
Population by Geography	118,611	0.0	9.9	59.8	29.2	1.0
Housing Units by Geography	50,246	0.0	10.2	53.2	35.6	1.0
Owner-Occupied Units by Geography	34,200	0.0	10.4	54.6	34.2	0.9
Occupied Rental Units by Geography	8,103	0.0	12.9	58.8	26.5	1.8
Vacant Units by Geography	7,943	0.0	6.7	41.3	51.1	0.9
Businesses by Geography	16,527	0.0	10.3	47.2	41.0	1.5
Farms by Geography	716	0.0	13.1	59.8	25.8	1.3
Family Distribution by Income Level	30,805	18.0	16.4	22.2	43.4	0.0
Household Distribution by Income Level	42,303	18.8	15.2	19.5	46.5	0.0
Median Family Income MSA - 27260 Jacksonville, FL MSA		\$76,537	Median Housing Value			\$274,900
			Median Gross Rent			\$1,017
			Families Below Poverty Level			7.9%
<i>Source: 2020 U.S. Census and 2022 D&amp;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>						

## Scope of Evaluation in Florida

The bank's AAs in the Florida Non-MSA and Jacksonville, FL MSA were evaluated as full-scope reviews given the high percentage of deposits and loan originations in those areas. The Gainesville, FL MSA, Ocala, FL MSA, and Panama City, FL MSA were evaluated as limited-scope reviews. The bank's lending, investment and service tests cover the period January 1, 2020, through December 31, 2022. All qualified activities between those dates are included in this evaluation.

As previously discussed, the bank's primary loan products during the evaluation period were home mortgage and business lending with an emphasis on home mortgage lending. As such, our review of the bank's lending performance considered home mortgage lending performance more than small business lending performance in arriving at conclusions and overall ratings.

Where relevant to our conclusions, we considered the performance context previously detailed in the “Description of the Institution”, the “Description of the Institution’s Operations”, and other factors discussed in this section.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

### LENDING TEST

The bank’s performance under the Lending Test in Florida is rated High Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Florida Non-MSA is good. Performance in the Jacksonville, FL MSA is also good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs considering the number and dollar amount of home mortgage and small business lending activities, and FFB’s capacity based on AA deposits, competition, and market presence.

The tables below present the total number and dollar volume of loans originated during the evaluation period.

<b>Number of Loans</b>						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State* Loans	%State Deposits
Florida Non-MSA	1,005	1,349	74	2,428	42.3	68.8
Gainesville, FL MSA	154	85	7	246	4.3	2.1
Jacksonville, FL MSA	841	530	19	1390	24.2	20.0
Ocala, FL MSA	867	359	20	1246	21.7	5.2
Panama City, FL MSA	239	184	11	434	7.6	3.8

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

<b>Dollar Volume of Loans (\$000)</b>						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State* Loans	%State Deposits
Florida Non-MSA	181,125	99,175	44,669	324,969	33.3	68.8
Gainesville, FL MSA	40,075	13,476	3,530	57,081	5.9	2.1
Jacksonville, FL MSA	228,323	45,636	6,636	280,595	28.8	20.0
Ocala, FL MSA	180,657	40,176	3,082	223,915	23.0	5.2
Panama City, FL MSA	60,088	23,260	5,665	89,013	9.1	3.8

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### **Florida Non-MSA**

As discussed in the “Description of Institution’s Operations in Florida” FFB had a 48.6 percent deposit market share in the AA and is ranked first out of 15 banks in the AA. Based on 2022 HMDA peer mortgage data, the bank ranked third among 420 lenders with a market share of 3.5 percent based on the number of loans reported. Mortgage lending in the AA is widely dispersed among lenders, with the top five mortgage lenders in the AA accounting for only 26.4 percent of the mortgage lending market share. FFB is competing against large national banks, local financial institutions (including credit unions) focused on mortgage lending, and online lending companies. 21st Mortgage and Rocket Mortgage ranked first and second, respectively. Additionally, the Bank’s strategy of nationwide mortgage lending results in a significant volume of mortgage originations outside its AAs.

For small business lending, FFB ranked second out of 534 small business lenders reporting. The top five small business lenders in the AA accounted for 46.3 percent of the small business lending market share. Large national banks originated the greatest number of business loans, primarily in the form of business credit cards. Top competitors in small business lending include American Express, Synchrony Bank, Wells Fargo, N.A., and JPMorgan Chase Bank, N.A.

### **Jacksonville MSA**

As discussed in the “Description of Institution’s Operations in Florida”, the bank ranked first in deposits with 24.41 percent market share in the AA. Based on 2018 HMDA peer mortgage data, the bank ranked fourth out of 299 HMDA reporters with 4.78 percent of the market share for mortgage lending in the AA. FFB’s larger share of deposits, but smaller share of mortgage lending, is attributed to the number of lenders in the market and the availability of credit online. Online lender Prime Lending ranked first with 8.8 percent of the market share.

For small business lending in the AA, FFB ranked first out of 71 loan data reporters with 41.14 percent market share. Large national banks originated most of the number of business loans. Top competitors in small business lending include Wells Fargo Bank, N.A., Fidelity Bank, and Bank of America. For small farm lending in the AA, FFB ranks second out of nine loan data reporters with 54.05% market share.

### ***PPP Loans***

Lending activity includes loans made under the SBA PPP. The bank’s small business loans in the AAs (loans with original amounts less than \$1 million) increased significantly in 2020-2021 in response to credit needs during the pandemic. FFB’s lending in Florida AAs includes 1,619 PPP loans totaling \$136 million. This represents 64.6 percent of loans made to small business loans during the evaluation period. Business revenue data was not available for 1.2 percent of the total number of PPP loans reported for CRA. PPP loans were considered in the distribution of small business loans by income and geography, and in our review of CD loan activity.

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

The bank exhibits an adequate geographic distribution of loans in its AAs.



***Home Mortgage Loans***

Refer to Table O in the state of Florida 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.

**Florida Non-MSA**

The bank's distribution of home mortgage loans in LMI geographies in the Florida Non-MSA is adequate. There are no low-income geographies in the AA. For 2020-2021, the percent of bank home mortgage loans in moderate-income geographies is somewhat lower than the percent of owner-occupied housing units but exceeds the aggregate lending in the AA. For 2022, the percent of bank home mortgage loans in moderate-income geographies is somewhat lower than the percent of owner-occupied housing units and somewhat lower than the aggregate lending in the AA.

**Jacksonville, FL MSA**

The bank's distribution of home mortgage loans in LMI geographies in the Jacksonville, FL MSA is adequate. There are no low-income geographies in the AA. For 2020-2021, the percent of bank home mortgage loans in moderate-income geographies is somewhat lower than the percent of owner-occupied housing units and somewhat lower than the aggregate lending in the AA. For 2022, the percent of bank home mortgage loans in moderate-income geographies is somewhat lower than the percent of owner-occupied housing units, but exceeds the aggregate lending in the AA.

***Small Loans to Businesses***

Refer to Table Q in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations of small loans to businesses. Note that small business aggregate lending data was not available for 2022.

**Florida Non-MSA**

The bank's distribution of small loans to businesses in LMI geographies in the AA is excellent. There are no low-income geographies in the AA. For 2020-2021, the percent of the bank's small loans to businesses in moderate-income geographies exceeds the percentage of small businesses located in those geographies and exceeds the aggregate lending in the AA. For 2022, the percent of the bank's small loans to businesses in moderate-income geographies exceeds the percentage of small businesses located in those geographies.

**Jacksonville, FL MSA**

The bank's distribution of small loans to businesses in LMI geographies in the AA is good. There are no low-income geographies in the AA. The percent of the bank's small loans to businesses in moderate-income geographies exceeds the percentage of small businesses located in those geographies and is near to the aggregate lending in the AA. For 2022, the percent of the bank's small loans to businesses in moderate-income geographies is somewhat lower than the percentage of small businesses located in those geographies.

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

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed FFB's home mortgage and small business lending activity in the AA over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any conspicuous gaps.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business of different income levels.

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

Refer to Table P in the state of Florida 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.

Our housing affordability analysis for the AA demonstrates that LMI individuals face challenges in obtaining a home mortgage. Given the AA median family income and the median home price in 2022, the ability to qualify for a home purchase loan is generally out of reach without significant subsidies or down payment assistance. This context was considered in evaluating the bank's lending to borrowers of different income levels for home mortgage loans. Refer to the Description of Institution's Operations in Florida for additional discussion. Home mortgage lending in the AAs includes loans made through VA, USDA and FHLB loan programs discussed in the "Product Innovation and Flexibility" section below.

### **Florida Non-MSA**

The bank's distribution of home mortgage loans to LMI borrowers is good. For 2020-2021, the percent of bank loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA and is below the aggregate lending. The percent of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA and exceeds the aggregate lending. For 2022, the percent of bank loans to low-income borrowers is lower than the percentage of low-income families in the AA but exceeds the aggregate lending. The percent of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA and exceeds the aggregate lending.

### **Jacksonville, FL MSA**

The bank's distribution of home mortgage loans to LMI borrowers is good. For 2020-2021, the percent of bank loans to low-income borrowers is somewhat lower than the percentage of low-income families in the AA but exceeds the aggregate lending. The percent of bank loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA but exceeds the aggregate lending. For 2022, the percent of bank loans to low-income borrowers is somewhat lower than the percentage of low-income families in the AA and lower than the aggregate lending. The percent of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA and exceeds the aggregate lending.

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

Refer to Table R in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses. Note that small business aggregate lending data was not available for 2022.

#### **Florida Non-MSA**

The bank's distribution of small loans to businesses by revenue size is adequate. For 2020-2021, the percent of bank small loans to businesses with less than \$1 million in annual revenues is somewhat lower than the percent of small businesses in the AA but exceeds the aggregate lending. For 2022, the percent of bank small loans to businesses with less than \$1 million in annual revenues is somewhat lower than the percent of small businesses in the AA.

FFB originated 935 PPP loans totaling \$72.2 million in the AA. This represents 69.3 percent of all loans to small businesses made in the AA during the evaluation period.

#### **Jacksonville, FL MSA**

The bank's distribution of small loans to businesses by revenue size is adequate. For 2020-2021, the percent of bank small loans to businesses with less than \$1 million in annual revenues is somewhat lower than the percent of small businesses in the AA but exceeds the aggregate lending. For 2022, the percent of bank small loans to businesses with less than \$1 million in annual revenues is somewhat lower than the percent of small businesses in the AA.

FFB originated 291 PPP loans totaling \$24.8 million in the AA. This represents 54.9 percent of all loans to small businesses made in the AA during the evaluation period.

### **Community Development Lending**

The institution is a leader in making CD loans.

The Lending Activity tables set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

#### **Florida Non-MSA**

The bank is a leader in making CD loans in the AA. During the evaluation period, FFB originated or renewed 74 CD loans totaling \$44.7 million within the AA. CD loans exhibited an excellent responsiveness to the credit and community needs in the AA. CD loans supported affordable housing, community services to LMI, economic development and revitalization or stabilization. CD loans also included 32 PPP loans totaling \$19.3 million, to small businesses and nonprofit organizations, that supported job retention of workers during the pandemic. Two CD loans totaling \$6 million also supported revitalization of designated disaster areas impacted by Hurricane Michael.

Examples of CD loans during the evaluation period include:

- A loan for \$10,000 to a local housing authority to support the provision of affordable housing in an area that includes distressed non-metropolitan geographies.
- A loan for \$100,000 to the local municipal transit authority that supports a program providing para-transportation services to LMI residents in a three-county rural area that includes distressed non-metropolitan geographies.
- A \$3.5 million to a local school board to fund capital improvements in a district where every school has a majority of students eligible for free or reduced lunch, and in an area that includes distressed non-metropolitan geographies.
- A \$6 million loan to a local municipality to support ongoing infrastructure recovery needs from Hurricane Michael in a designated disaster area that includes distressed non-metropolitan geographies.

### **Jacksonville, FL MSA**

The bank is a leader in making CD loans in the AA. During the evaluation period, FFB originated or renewed 19 CD loans totaling \$6.6 million within the AA. CD loans exhibited an excellent responsiveness to the credit and community needs in the AA. CD loans supported affordable housing, community services to LMI, economic development and revitalization or stabilization. CD loans also included 8 PPP loans totaling \$3.3 million.

Examples of CD loans during the evaluation period include:

- A loan for \$12,000 to a nonprofit youth development program that primarily serves LMI youth.
- Two loans totaling \$60,000 to the local nonprofit organization that builds housing for LMI families.
- Two loans totaling \$2.5 million to a local government agency that provides food assistance, transportation services and other programs for LMI seniors.

### **Product Innovation and Flexibility**

The bank uses flexible lending practices in order to serve AA credit needs.

During the evaluation period, FFB offered flexible residential loan programs in its Florida AAs that included government-insured mortgage loans, which offer no- or low-down payment options. Programs include FHA, USDA Rural Development Program, VA, and Freddie Mac first-time homebuyer loan programs. The bank also provided PPP loans to businesses in the AA, providing flexible financing through the program in response to the COVID-19 pandemic.

- FFB originated 1,303 FHA loans totaling \$244.87 million, 66 USDA loans totaling \$11.44 million, and 879 VA loans totaling \$220.24 million.
- FFB facilitated \$617,500 in down payment assistance funds for 142 homebuyers that generated \$16.2 million in home purchase mortgages through the Federal Home Loan Bank of Atlanta's Affordable Housing Program. This Set-Aside product is for low- to moderate-income borrowers, providing matching funds for the purchase of a home.

- For small business lending, FFB offers programs to provide access to credit for small businesses through its Government-Guaranteed Loan Department, as well as its new division, SBAWorks. The Bank is a qualified SBA lender, offering 7a and 504 SBA loan products. In addition to SBA 7(a) loans made through the PPP, the bank originated 14 SBA 504 loans for \$17.2 million in the AAs.

Refer to the “Description of the Institution” section for additional details regarding bank-wide consumer and small business lending programs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the Lending Test in the Gainesville, FL MSA is consistent with the bank’s overall performance under the Lending Test in the full-scope areas. The bank’s performance under the Lending Test in the Ocala, FL MSA is weaker than the bank’s overall performance under the Lending Test in the full-scope areas; the distribution of home mortgage loans by geography and borrower income is lower than the distribution in the full-scope AAs. The bank’s performance under the Lending Test in the Panama City, FL MSA is weaker than the bank’s overall performance under the Lending Test in the full-scope areas; the distribution of home mortgage loans by geography is lower than the distribution in the full-scope AAs.

Refer to Tables O through R in the state of Florida section of appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

The institution’s performance under the Investment Test in Florida is rated High Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank’s performance in the Florida Non-MSA is excellent. The bank’s performance in the Jacksonville, FL MSA is adequate.

The institution has a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits good responsiveness to credit and community economic development needs. The institution makes significant use of complex investments to support CD initiatives.

**Number and Amount of Qualified Investments**

<b>Qualified Investments</b>										
<b>Assessment Area</b>	<b>Prior Period*</b>		<b>Current Period</b>		<b>Total</b>				<b>Unfunded Commitments**</b>	
	<b>#</b>	<b>\$(000's)</b>	<b>#</b>	<b>\$(000's)</b>	<b>#</b>	<b>% of Total #</b>	<b>\$(000's)</b>	<b>% of Total \$</b>	<b>#</b>	<b>\$(000's)</b>
<b>Full Scope</b>										
Florida Non-MSA			122	13,823	122	50.0%	13,823	53.4%		
Jacksonville, FL MSA			40	1,541	40	16.4%	1,541	6.0%		
<b>Limited Scope</b>										
Gainesville, FL MSA			42	2,445	42	17.2%	2,445	9.5%		
Ocala, FL MSA			18	2,417	18	7.4%	2,417	9.3%		
Panama City, FL MSA			22	5,644	22	9.0%	5,644	21.8%		
<b>TOTAL</b>			<b>244</b>	<b>25,871</b>	<b>244</b>	<b>100.0</b>	<b>25,871</b>	<b>100.0</b>		

Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Florida Non-MSA**

Based on a full-scope review, the bank's performance under the Investment Test in the Florida Non-MSA is excellent.

The bank has a good level of qualified CD investments and grants, occasionally in a leadership position. Investments include some not routinely provided by private investors. Investments exhibit good responsiveness to credit and community economic development needs. The institution makes occasional use of complex investments to support CD initiatives.

Qualified investments totaled \$13.8 million, which includes current period investments in mortgage-backed securities totaling \$5.8 million, investments in low-income housing tax credits (LIHTC) totaling \$7.6 million, and qualified grants of \$379,220. Investments benefiting the AA during the evaluation period represented 6.2 percent of allocated tier 1 capital over the evaluation period. There were no unfunded investment commitments at the end of the evaluation period.

Qualified investments supported affordable housing and community services to LMI individuals. Investments demonstrated good responsiveness to AA needs—community contacts noted a need for affordable housing preservation and development, as well as operating support for nonprofits that provide services to LMI persons.

Examples of qualified investments in this AA include:

- A \$7.6 million LIHTC investment that financed a 36 multifamily development in Suwannee County, where at least 20 percent of the units must be available for those earning less than 50 percent of the MFI.
- A \$300,000 grant to a rural college foundation to support student scholarships. The college is located in a designated underserved area and serves other adjacent underserved areas; the school also has a significant percent of students that are Pell grant recipients.

### **Jacksonville, FL MSA**

Based on a full-scope review, the bank's performance under the Investment Test in the Jacksonville, FL MSA is adequate.

The bank has an adequate level of qualified CD investments and grants. Investments exhibit adequate responsiveness to credit and community economic development needs. The institution did not make use of complex investments to support CD initiatives.

Qualified investments totaled \$1.5 million, which includes current period investments in mortgage-backed securities, and qualified grants of \$42,345. Investments benefiting the AA during the evaluation period represented 2.4 percent of allocated tier 1 capital over the evaluation period. There were no unfunded investment commitments at the end of the evaluation period.

Qualified investments supported affordable housing to LMI individuals. Investments demonstrate adequate responsiveness to AA community development needs.

Examples of qualified investments in this AA include:

- \$250,000 investment in a mortgage-backed securities pool, collateralized by CDFI mortgage loans.
- \$6,500 to a nonprofit housing organization that builds single-family homes for LMI families.

### **Broader Statewide Area**

FFB also made five investments totaling \$23.5 million in the broader statewide area of Florida. These investments were made to a state fund that supports disaster recovery in areas that include the bank's AAs and municipal bond to support infrastructure needs in Palm Beach County. These qualified investments are given consideration since the bank has been adequately responsive to the needs and opportunities of its AAs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Panama City, FL MSA is consistent with the bank's overall performance under the Investment Test in the full-scope areas; investments demonstrate good responsiveness and included use of complex LIHTC investments. The bank's performance under the Investment Test in the Gainesville, FL MSA and Ocala, FL MSA are weaker than performance of the bank's overall performance under the Investment Test in the full-scope areas; investments demonstrate adequate responsiveness to community development needs.

## SERVICE TEST

The bank's performance under the Service Test in Florida is rated High Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Non-MSA AA is good. The bank's performance in the Jacksonville MSA is also good.

The evaluation of the bank's Service Test performance takes into consideration the impact of the COVID-19 pandemic. The bank's AA were in government-mandated lockdowns where residents were required to limit activities outside of the home and businesses reduced operations. This significantly impacted the bank's ability to perform CD services.

### Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System 2020-2021											
Assessment Area (2020-2021)	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Scope</b>											
Florida Non-MSA	69.2	13	56.5	0.0	7.7	69.2	23.1	0.0	6.9	80.4	12.6
Jacksonville, FL MSA	21.4	4	17.4	0.0	0.0	75.0	25.0	0.0	20.3	72.0	7.7
<b>Limited Scope</b>											
Gainesville, FL MSA	2.1	2	8.7	50.0	0.0	0.0	50.0	9.5	22.7	33.0	32.0
Ocala, FL MSA	5.2	3	13.1	0.0	33.4	33.3	33.3	2.3	18.5	63.6	15.7
Panama City, FL MSA	2.1	1	4.3	0.0	0.0	100.0	0.0	3.6	16.7	52.2	27.5

Source: 2015 ACS & 2021 FDIC Deposit Data. Due to rounding, totals may not equal 100.0%



Distribution of Branch Delivery System 2022											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review</b>											
Florida Non-MSA	68.9	13	56.5	0.0	15.4	61.5	23.1	0.0	18.0	65.0	14.4
Jacksonville, FL MSA	20.0	4	17.4	0.0	0.0	75.0	25.0	0.0	9.9	59.8	29.2
<b>Limited Review</b>											
Gainesville, FL MSA	2.1	2	8.7	0.0	0.0	50.0	50.0	6.8	18.5	29.2	38.1
Ocala, FL MSA	5.2	3	13.1	0.0	0.0	100.0	0.0	1.4	19.4	58.3	20.0
Panama City, FL MSA	3.8	1	4.3	0.0	0.0	0.0	100.0	2.3	22.5	49.3	26.0

Source: 2020 U.S. Census & 2022 FDIC Deposit Data. Due to rounding, totals may not equal 100.0%

### **Florida Non-MSA**

FFB's service delivery systems are readily accessible to geographies and individuals of different income levels in the bank's Non-MSA AA. The bank operates 13 full-service branches offices in the AA; one located in a moderate- income geography, nine in middle-income geographies and three in upper-income geographies. There are no low-income geographies in the AA. As shown in the tables above, the bank's distribution of branches in moderate-income geographies was near to, or exceeded, the population living within those moderate-income geographies.

In 2022, Census geography changes resulted in one branch shifting from a middle-income CT to a moderate-income CT category. In 2020-2021, 4 of the bank's branches are in areas designated as distressed by the federal banking agencies due to the economic conditions, specifically high levels of poverty in those geographies. This shifted to 3 branches in distressed areas for 2022.

### **Jacksonville, FL MSA**

FFB's service delivery systems are accessible to geographies and individuals of different income levels in the bank's Jacksonville AA. The bank operates four full-service branches in the AA: three in middle-income geographies and one in an upper-income geography. There are no low-income geographies in the AA. As shown in the first table above, the bank's distribution of branches in the moderate-income geographies is well below the percentage of the population residing in moderate-income geographies in the AA.

While the bank has no branches in LMI geographies, there is good usage penetration by households in the three moderate-income geographies in the AA. Bank-provided data shows that three branches are near moderate-income geographies; one branch is located less than 0.5 miles and two branches located less than two miles. Further, data shows across the entire AA, there are 149 or 5.3 percent of deposit account holders residing in moderate-income geographies. The 2020 U.S. Census Data shows only 9.9 percent of the population in the AA resides in the three moderate-income geographies.

The bank complements its traditional service delivery systems in the AAs with alternative delivery systems, including debit cards, deposit-taking ATMs located at all branches, telephone, and online banking to include account opening capability, electronic bill pay and mobile banking options. In 2022, the bank introduced Integrated Teller Machines (ITMs) that provide full-service drive-thru banking for consumers and businesses through use of a single terminal to perform either routine ATM transactions or to conduct live video interactions with a bank employee during normal business hours or 7:00 am to 7:00 pm Monday through Friday. In addition, the bank operates one free standing deposit-taking ATM in the AA. These systems provide additional delivery availability and access to banking services for low and moderate-income individuals and small businesses.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences, its AAs, particularly low- and moderate-income geographies and/or individuals. FFB maintains standard business hours and offers traditional banking products, mortgages, consumer and small business lending and services at all branch locations in the AA.

FFB offers bank-wide an array of deposit and loan products and services typical for a community bank. The bank offers several low-to no cost checking and savings account products attractive to low- and moderate-income individuals and small businesses.

## **Community Development Services**

The institution provides a relatively high level of CD services.

### **Florida Non-MSA**

The bank is a leader in providing CD services in the Non-MSA AA.

CD services were effective and responsive in helping the bank address community needs in the Non-MSA AA. During the evaluation period, the bank conducted an excellent level of CD services consistent with its capacity and expertise to conduct such activities as evident by the number of nonprofit organizations served and number of bank personnel actively involved. The CD organizations support affordable housing, community services to LMI persons and economic development for small businesses.

During the evaluation period, thirty-seven staff members provided 26 hours of financial literacy training attended by a combined total of 345 persons for 11 organizations. Financial literacy training was provided to help low-and moderate individuals and youths to learn basic banking concepts and/or enhance financial skills. In addition, six staff members provided 446.5 hours of financial expertise by serving as board, treasurer, and other committee members for 11 organizations.

Examples of CD services provided:

- A staff member conducted a credit and budgeting class to a nonprofit community service development organization that provides programs and services to assist underserved families residing in the AA with financial education classes, health services and other essential needs.
- For three events, staff members provided financial literacy training to high school students attending a school located in a distressed/underserved middle-income geography and where a substantial majority of students qualify for free or reduced lunches.
- A staff member served on a committee of a local nonprofit organization whose mission is to address the affordable housing needs and homeless situation in the county. Affordable housing has been identified as a crucial community credit need.

### **Jacksonville, FL MSA**

The bank provides a relatively high level of CD services in the Jacksonville AA.

CD services were effective and responsive in helping the bank address community needs in the Jacksonville AA. During the evaluation period, the bank conducted a good level of CD services consistent with its capacity and expertise to conduct such activities as evident by the number and types of nonprofit organizations served and number of bank personnel actively involved. The CD organizations support affordable housing initiatives, community services to LMI persons and economic development for small businesses.

During the evaluation period, three staff members provided five hours of financial literacy training attended by a combined total of 99 persons for two organizations. Financial literacy training was provided to help low-income youths to learn basic banking concepts. In addition, four staff members provided 376.0 hours of financial expertise by serving as board members for five nonprofit organizations.

Example of CD services provided:

- Financial education classes consisted of two events involving nonprofit organizations that primarily serve LMI youth. For one event, the bank participated in the *National Teach a Child to Save Day* in which 90 children participated.
- staff member provided technical expertise by serving as a board member for a local government nonprofit economic development organization whose mission is to promote and attract small businesses by providing financial education and access to resources to assist in job creation, retention, and growth.
- Two staff members provided technical expertise by serving as board members on the advisory committee of a local government organization to assist with the planning, implementation, and allocation of affording housing funds for the AA. Affordable housing has been identified as a critical community need.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Panama City, FL MSA is consistent with the bank's overall performance under the Service Test in the full-scope AAs. The bank's performance in the Gainesville, FL MSA and the Ocala, FL MSA are weaker than the bank's overall performance under the Service Test in the full-scope AAs—performance was stronger for retail banking services; however, there were very limited or no CD services during the evaluation period. Consideration was given to the impact of pandemic lockdowns on the ability to conduct CD services.

## State Rating

### State of South Carolina

**CRA rating for the State of South Carolina:** Satisfactory

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

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs.
- The bank exhibits an excellent geographic distribution of loans in the AA and a good distribution of loans among individuals of different income levels and business of different sizes in the AA.
- The bank made an adequate level of CD loans.
- The bank used flexible lending practices in order to serve AA credit needs.
- The bank has an excellent level of qualified investments, including those that are not routinely provided by private investors, often in a leadership position.
- Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.
- The bank did not provide any CD services in the AA. Consideration was given for the COVID-19 pandemic and limited availability to conduct such services in the AA during 2020 through 2021.

### Description of Institution's Operations in South Carolina

FFB has one AA within the state of South Carolina. The bank's assessment area consists of the whole county of Beaufort, South Carolina, which is part of the Hilton Head Island-Bluffton, SC MSA.

In this evaluation the Hilton Head Island-Bluffton, SC MSA will receive a full-scope review. Loans evaluated in the AA represent 10.4 percent of the total number of bank loan originations during the evaluation period.

Based on the FDIC Deposit Market Share data as of June 30, 2022, FFB had a 0.1 percent deposit market share in SC and is ranked 55 out of 76 financial institutions doing business in the state. The deposits account for 4.2 percent of the bank's total deposits. Primary competitors include Wells Fargo Bank, N.A. which ranked first in deposit market share (16.1 percent) with 110 offices, Bank of America, N.A. which ranked second in deposit market share (16.1 percent) with 69 offices, and Truist Bank, which ranked third in deposit market share (12.1 percent) with 99 offices.

FFB provides a full range of loan and deposit products and services in the state. The bank has two full-full-service brick and mortar offices in the state. One is in a moderate-income CT, and one is in an upper-income CT. The branches represent eight percent of the bank's total branch network.

## Hilton Head Island-Bluffton, SC MSA

The Hilton Head Island-Bluffton, SC MSA includes only Beaufort County.

Based on the FDIC Deposit Market Share data as of June 30, 2022, FFB had a 1.9 percent deposit market share this AA and is ranked 12<sup>th</sup> out of 19 financial institutions doing business in the AA. The deposits account for 4.2 percent of the bank's total deposits. Primary competitors include Wells Fargo Bank, N.A. which ranked first in deposit market share (18.5 percent) with five offices, Bank of America, N.A. which ranked second in deposit market share (14.4 percent) with three offices, and SouthState Bank, N.A. which ranked third in deposit market share (12.7 percent) with seven offices.

FFB provides a full range of loan and deposit products and services in the AA. The bank has two full-full-service brick and mortar offices in the state. One is in a moderate-income CT, and one is in an upper-income CT. The branches represent eight percent of the bank's total branch network.

FFB provides a full range of loan and deposit products and services in the AA. The bank has two branches and two ATMs located in the AA. The branches represent eight percent of the bank's total branch network.

The AA meets the legal requirements of CRA and does not arbitrarily exclude LMI geographies. According to the 2020 U.S. Census data, the AA is comprised of 43 census tracts, and consists of one low-income tract, eight moderate-income tracts, 16 middle-income tracts, 16 upper-income tracts, and two have not been assigned an income classification. The percentage of families living below the poverty level in the AA is 6.9 percent. Strong competition exists for financial services within FFB's AA, which includes nationwide and regional institutions. According to the U.S. Bureau of Labor Statistics, as of June 30, 2023, the unemployment rate in the AA was 3.4 percent, which is lower than the national average of 3.6 percent.

The bank is ranked 45 among 586 lenders with a 0.5 percent market share based on the number of loans reported. The bank's average mortgage loan size in the AA is \$391,000. The top mortgage lender in the AA is SouthState Bank, N.A. with 4.7 percent market share; followed by Rocket Mortgage with 4.3 percent market share and Mortgage Network with 4.2 percent market share.

In small loans to businesses, the bank is ranked 16 among 116 lenders with a 1.5 percent market share. The bank's average small business loan size in the AA is \$81,000. The top three small business lenders were American Express National Bank with 23.2 percent market share, Bank of America, N.A. with 10.6 percent market share, and Wells Fargo Bank, N.A. with 9 percent market share.

As reported by Moody's Analytics, Hilton Head Island-Bluffton, SC MSA's four largest employers are Coastal Banking Co. Inc/CBC National Bank, eviCore Healthcare, BFG (SC) – Hilton Head, and Tico Manufacturing (SC).

### *Housing Affordability*

The FFIEC estimated median family income for the Hilton Head Island-Bluffton, SC MSA at \$94,600, as of year-end 2022. According to the National Association of Realtors the median sales prices of existing single-family homes in the MSA was \$422,450 in January 2020 and \$629,000 in December

2022, a 48.9 percent increase. The 2022 housing price would require a mortgage payment of \$3,377 based on a 30-year mortgage with an five percent interest rate. Based on this data and not accounting for down payment, homeowners’ insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$47,300 per year (or less than 50 percent of the 2022 FFIEC median family income for the MSA) could afford a mortgage payment of \$1,183 per month. A moderate-income borrower making \$75,680 per year (or less than 80 percent of the 2022 FFIEC median family income for the MSA) could afford a mortgage payment of \$1,892 per month. This illustrates how LMI borrowers are challenged to afford, or qualify for, a home purchase loan in the AA.

The OCC reviewed the local consolidated plan that helps jurisdictions assess their affordable housing and community development needs and market conditions. The plan indicated that the following are identified needs within the bank’s AA.

- Preserve and expand the supply of affordable rental and single-family housing options
- Community services, including affordable childcare, youth programs and homeless services
- Technical assistance to small businesses and living wage job opportunities
- Improving the transportation system to increase LMI access to jobs, housing and services

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Hilton Head Island-Bluffton, SC MSA 2022</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	43	2.3	18.6	37.2	37.2	4.7
Population by Geography	187,117	1.7	18.8	51.5	27.0	1.1
Housing Units by Geography	101,059	1.7	14.9	45.2	38.2	0.0
Owner-Occupied Units by Geography	55,533	1.2	13.6	51.1	34.1	0.0
Occupied Rental Units by Geography	18,698	3.6	29.4	50.4	16.6	0.0
Vacant Units by Geography	26,828	1.4	7.4	29.6	61.6	0.0
Businesses by Geography	30,022	3.0	10.6	48.4	37.9	0.1
Farms by Geography	711	4.1	16.0	56.7	23.2	0.0
Family Distribution by Income Level	50,858	19.0	17.1	21.2	42.8	0.0
Household Distribution by Income Level	74,231	21.6	16.0	18.7	43.7	0.0
Median Family Income MSA - 25940 Hilton Head Island-Bluffton, SC MSA		\$79,770	Median Housing Value			\$353,487
			Median Gross Rent			\$1,308
			Families Below Poverty Level			6.9%
<i>Source: 2020 U.S. Census and 2022 D&amp;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>						

## Scope of Evaluation in South Carolina

The bank has one AA in South Carolina—Beaufort County, a portion of the Hilton Head Island-Bluffton, SC MSA, which was evaluated as a full-scope AA. Lending, investment and service test activities cover the period January 1, 2020, through December 31, 2022. All qualified activities between those dates are included in this evaluation.

As discussed, the bank’s primary loan products during the evaluation period were home mortgage and business lending with an emphasis on home mortgage lending. As such, our review of the bank’s lending performance considered home mortgage lending performance more than small business lending performance in arriving at conclusions and overall ratings.

Where relevant to our conclusions, we considered the performance context previously detailed in the “Description of the Institution”, the “Description of the Institution’s Operations”, and other factors discussed in this section.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN South Carolina

### LENDING TEST

The bank’s performance under the Lending Test in South Carolina is rated High Satisfactory.

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

Based on a full-scope review, the bank’s performance in the Hilton Head Island-Bluffton, SC MSA is good.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

<b>Number of Loans</b>						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State Loans	%State Deposits
Hilton Head Island-Bluffton, SC MSA	422	235	7	664	100.0%	100.0%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

<b>Dollar Volume of Loans (\$000)</b>						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State* Loans	%State Deposits
Hilton Head Island-Bluffton, SC MSA	138,681	28,130	683	167,494	100.0%	100.0%

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.



Based on the FDIC Deposit Market Share data as of June 30, 2022, FFB had a 1.9 percent deposit market share in the AA and is ranked 12 out of 19 banks in the AA. Based on 2022 Home Mortgage Disclosure Act (HMDA) peer mortgage data, the bank ranked 45 among 586 lenders with a market share of 0.53 percent based on the number of loans reported. Mortgage lending in the AA is widely dispersed among lenders, with the top five mortgage lenders in the AA accounting for 21.3 percent of the mortgage lending market share. FFB is competing against large national banks, regional banks, local financial institutions (including credit unions) focused on mortgage lending, and online lending companies. SouthState Bank, N.A. and Rocket Mortgage ranked first and second, respectively. As previously discussed, the Bank's strategy of nationwide mortgage lending results in a significant volume of mortgage originations outside its AAs.

For small business lending, FFB ranked 16 out of 116 small business lenders reporting. The top five small business lenders in the AA accounted for over half, 54.8 percent, of the small business lending market share. Large national banks originated the greatest number of business loans, primarily in the form of business credit cards. Top competitors in small business lending include American Express, Bank of America, Wells Fargo, N.A., and JPMorgan Chase Bank, N.A. and SouthState Bank, N.A.

### ***PPP Loans***

Lending activity includes loans made under the SBA paycheck protection program (PPP). FFB's lending in the Hilton Head Island-Bluffton, SC MSA includes 116 PPP loans totaling \$7.1 million. This represents 49.4 percent of loans made to small business loans during the evaluation period. Business revenue data was available for less than one percent of the total number of PPP loans in the AA reported for CRA. PPP loans were considered in the distribution of small business loans by income and geography, and in our review of CD loan activity.

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

The bank exhibits an excellent geographic distribution of loans in the AA.

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

Refer to Table O in the state of South Carolina section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's distribution of home mortgage loans in LMI geographies in the Hilton Head Island-Bluffton, SC MSA is excellent. For 2020-2021, there are no low-income geographies in the AA. The bank's percent of bank home mortgage loans in moderate-income geographies exceeds the percent of owner-occupied housing units in the AA and exceeds the aggregate lending in the AA. For 2022, there is one low-income geography in the AA; the bank originated no loans in this geography. This low-income geography has less than 2 percent of the AA population and 1.7 percent of total housing units in the AA. The bank's percent of home mortgage loans in moderate-income geographies is somewhat lower than the percent of owner-occupied housing units but exceeds the aggregate lending in the AA.

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

Refer to Table Q in the state of South Carolina section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations of small loans to businesses. Note that small business aggregate lending data was not available for 2022.

The bank's distribution of small loans to businesses in LMI geographies in the AA is excellent. For 2020-2021, there are no low-income geographies in the AA. The percent of the bank's small loans to businesses in moderate-income geographies exceeds the percentage of small businesses located in those geographies and exceeds the aggregate lending in the AA. For 2022, there is one low-income geography in the AA; the bank originated no loans in this geography. Three percent of the AA's total businesses are located in this low-income geography. The percent of the bank's small loans to businesses in moderate-income geographies exceeds the percentage of small businesses located in those geographies.

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

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed FFB's home mortgage and small business lending activity in the AA over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any conspicuous gaps.

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

The bank exhibits a good distribution of loans among individuals of different income levels and business of different sizes.

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

Refer to Table P in the state of South Carolina 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.

Our housing affordability analysis for the AA illustrates the challenges LMI individuals face in obtaining a home mortgage. Based on the AA median family income and the median home price in 2022, the ability to qualify for a home purchase loan is generally out of reach without significant subsidies or down payment assistance. This context was considered in evaluating the bank's lending to borrowers of different income levels for home mortgage loans. Refer to the Description of Institution's Operations in South Carolina for additional discussion. Home mortgage lending in the AAs includes loans made through VA, USDA and FHLB loan programs discussed in the "Description of the Institution".

The bank's distribution of home mortgage loans to LMI borrowers is adequate. For 2020-2021, the percent of bank loans to low-income borrowers is lower than the percentage of low-income families in the AA but near to the aggregate lending. The percent of bank loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA but is near to the aggregate lending. For 2022, the percent of bank loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA and lower than the aggregate lending. The percent of bank

loans to moderate-income borrowers somewhat lower than to the percentage of low-income families in the AA and exceeds the aggregate lending.

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

Refer to Table R in the state of South Carolina section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination of small loans to businesses. Note that small business aggregate lending data was not available for 2022.

The bank's distribution of small loans to businesses by revenue size is good. For 2020-2021, the percent of bank small loans to businesses with less than \$1 million in annual revenues is somewhat lower than the percent of small businesses in the AA but exceeds the aggregate lending. For 2022, the percent of bank small loans to businesses with less than \$1 million in annual revenues is somewhat lower than the percent of small businesses in the AA.

### **Community Development Lending**

The bank has made an adequate level of CD loans.

The Lending Activity tables set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank has made an adequate level of CD loans in the AA. During the evaluation period, FFB originated or renewed seven CD loans totaling \$683,000 within the AA. CD loans exhibited adequate responsiveness to the credit and community needs in the AA. CD loans supported affordable housing and community services to LMI. CD loans also included 4 PPP loans totaling \$198,000 to small businesses and nonprofit organizations, that supported job retention of workers during the pandemic. Examples of CD loans during the evaluation period include:

- A loan for \$440,000 for multifamily affordable housing in a moderate-income geography in the AA.
- Two loans for \$45,000 to a medical clinic that serves uninsured residents.

### **Product Innovation and Flexibility**

The bank uses flexible lending practices in order to serve AA credit needs.

During the evaluation period, FFB offered flexible residential loan programs that included government-insured mortgage loans, which offer no- or low-down payment options. Programs include FHA, USDA Rural Development Program, VA, and Freddie Mac first-time homebuyer loan programs. The bank also provided PPP loans to businesses in the AA, providing flexible financing through the program in response to the COVID-19 pandemic.

- FFB originated 992 FHA loans totaling \$215.9million, 28 USDA loan totaling \$8.2 million, and 2,120 VA loans totaling \$597 million.
- FFB facilitated \$147,493 in FHLB down payment assistance funds for 70 homebuyers that generated \$9.7 million in home purchase mortgage through the Federal Home Loan Bank

(FHLB) of Atlanta’s Affordable Housing Program. This Set-Aside product is for low- to moderate- income borrowers, providing matching funds for the purchase of a home.

- For small business lending, FFB offers programs to provide access to credit for small businesses through its Government-Guaranteed Loan Department, as well as its new division, SBAWorks.

Refer to the “Description of the Institution” section for additional details regarding bank-wide consumer and small business lending programs.

## INVESTMENT TEST

The bank’s performance under the Investment Test in South Carolina is rated Outstanding.

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

Based on a full-scope review, the bank’s performance in the Hilton Head Island-Bluffton, SC MSA is excellent.

The institution has an excellent level of qualified CD investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes significant use of complex investments to support CD initiatives.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Hilton Head Island-Bluffton, SC MSA	1	3,200	4	4,184	23	100%	\$7,384	100%		

Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The total investments in the AA of \$7.4 million represents 51.9% of allocated Tier 1 capital. Investments consist of municipal bonds, mortgage-backed securities and a LIHTC. Included in the above investments, the bank made 19 grants totaling \$23,215. Investments and donations were made to organizations that provide community services to LMI individuals.

Examples of qualified investments in this AA include:

- A LIHTC for \$3.2 million that financed the development of affordable housing.
- A \$2,500 donation to a nonprofit that provides services to survivors of domestic violence.
- A \$2,500 donation to a nonprofit that provides medical services to LMI individuals.

## SERVICE TEST

The bank’s performance under the Service Test in South Carolina is rated High Satisfactory.

The evaluation of the bank’s Service Test performance takes into consideration the impact of the COVID-19 pandemic. The bank’s AA were in government-mandated lockdowns where residents were required to limit activities outside of the home and businesses reduced operations. This significantly impacted the bank’s ability to perform CD services.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Hilton Head Island-Bluffton, SC MSA is good.

## Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System 2020-2021											
Assessment Area 2020-2021	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Hilton Head Island-Bluffton, SC MSA	100.0	2	100.0	0.0	50.0	50.0	0.0	0.0	26.6	50.3	23.1

Source: 2015 ACS & 2021 FDIC Deposit Data. Due to rounding, totals may not equal 100.0%

Distribution of Branch Delivery System 2022											
Assessment Area 2022	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Hilton Head Island-Bluffton, SC MSA	100.0	2	100.0	0.0	50.0	0.0	50.0	1.7	18.8	51.5	27.0

Source: 2020 U.S. Census & 2022 FDIC Deposit Data. Due to rounding, totals may not equal 100.0%

FFB's service delivery systems are readily accessible to geographies and individuals of different income levels in the AA. The bank operates two full-service branches in the AA; one located in a moderate-income geography and one in a middle-income geography. In 2022, Census geography changes resulted in one branch shifting from a middle-income CT to an upper-income CT category. There were no low-income geographies in the bank's AA. As noted in the tables above, the bank's distribution of branches in moderate-income geographies exceeded the AA population living within those geographies.

The bank complements its traditional service delivery systems with alternative delivery systems, including debit cards, deposit taking ATMs at branch locations, telephone, and online banking to include account opening capability, electronic bill-pay and mobile banking options. In 2022, the bank introduced ITMs that provide full-service drive-thru banking for consumers and businesses through use of a single terminal to perform either routine ATM transactions or to conduct live video interactions with a bank employee during normal business or 7:00 AM-7:00 PM.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. FFB maintains standard business hours and offers traditional banking products, mortgages, consumer and small business lending and services at all branch locations in the AA.

FFB offers bank-wide an array of deposit and loan products and services typical for a community bank. The bank offers several low-to no cost checking and savings account products attractive to low- and moderate-income individuals and small businesses.

### **Community Development Services**

During the evaluation period, the bank did not provide any CD services in the AA. Consideration was given for the COVID-19 pandemic and limited availability to conduct such services in the AA during 2020 through 2021; and limited opportunities to do CD service activities in the AA during the post-pandemic recovery in 2022.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	1/1/2020-12/31/2022	
<b>Bank Products Reviewed:</b>	Home mortgage loans Small business loans Community development loans, investments, and services	
<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 Florida</b>		
Florida Non-MSA	Full-scope	Counties of Columbia, Hamilton, Holmes, Jackson, Lafayette, Suwannee, and Washington
Gainesville, FL MSA   <i>partial MSA</i>	Limited-scope	County of Alachua
Jacksonville, FL MSA   <i>partial MSA</i>	Full-scope	Counties of Baker and Nassau
Ocala, FL MSA	Limited-scope	County of Marion
Panama City, FL MSA	Limited-scope	County of Bay
<b>State of South Carolina</b>		
Hilton Head Island-Bluffton, SC MSA   <i>partial MSA</i>	Full-scope	County of Beaufort

## Appendix B: Summary of State Ratings

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RATINGS FIRST FEDERAL BANK				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/ State Rating
FFB	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State:				
State of Florida	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of South Carolina	High Satisfactory	Outstanding	High Satisfactory	Satisfactory

(\*)The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.



## 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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.

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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 loans are treated the same 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 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
Florida Non-MSA	788	140,791	31.8	5,581	0.0	0.0	0.0	7.5	4.8	4.6	80.0	79.4	81.1	12.5	15.7	14.3	0.0	0.0	0.0
Gainesville, FL MSA	134	33,315	5.4	10,855	2.4	1.5	2.6	14.9	8.2	9.8	37.5	45.5	38.6	44.6	44.8	47.9	0.6	0.0	1.0
Jacksonville, FL MSA	721	187,551	29.1	8,625	0.0	0.0	0.0	18.8	11.0	15.7	71.1	82.5	73.9	10.2	6.5	10.4	0.0	0.0	0.0
Ocala, FL MSA	628	124,541	25.4	21,434	0.6	0.0	0.1	14.5	4.8	10.8	69.6	55.7	70.6	15.3	39.5	18.5	0.0	0.0	0.0
Panama City, FL MSA	206	50,719	8.3	12,927	2.5	0.5	1.1	13.3	4.4	7.1	52.4	63.1	57.5	31.8	32.0	34.3	0.0	0.0	0.0
<b>Total</b>	<b>2,477</b>	<b>536,916</b>	<b>100.0</b>	<b>59,422</b>	<b>1.1</b>	<b>0.1</b>	<b>0.8</b>	<b>13.4</b>	<b>6.7</b>	<b>9.9</b>	<b>63.3</b>	<b>71.1</b>	<b>63.4</b>	<b>22.1</b>	<b>22.0</b>	<b>25.7</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>

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
Florida Non-MSA	217	40,334	34.5	4,427	0.0	0.0	0.0	16.1	11.1	14.4	68.4	64.5	68.3	14.4	24.0	16.6	1.1	0.5	0.6
Gainesville, FL MSA	20	6,760	3.2	7,388	4.4	0.0	2.7	14.6	20.0	15.2	28.2	20.0	26.5	51.8	60.0	53.8	0.9	0.0	1.8
Jacksonville, FL MSA	120	40,772	19.1	5,712	0.0	0.0	0.0	10.4	8.3	7.9	54.6	77.5	56.2	34.2	14.2	35.2	0.9	0.0	0.7
Ocala, FL MSA	239	56,116	38.0	16,685	0.3	0.0	0.3	16.7	4.2	11.4	61.7	76.2	70.2	20.3	19.7	17.5	1.1	0.0	0.6
Panama City, FL MSA	33	9,369	5.2	9,065	1.6	0.0	0.8	19.2	12.1	14.5	48.7	51.5	57.0	30.5	36.4	27.7	0.0	0.0	0.0
<b>Total</b>	<b>629</b>	<b>153,352</b>	<b>100.0</b>	<b>43,277</b>	<b>1.2</b>	<b>0.0</b>	<b>0.7</b>	<b>15.9</b>	<b>8.3</b>	<b>12.6</b>	<b>54.1</b>	<b>69.3</b>	<b>57.9</b>	<b>28.0</b>	<b>22.3</b>	<b>28.1</b>	<b>0.8</b>	<b>0.2</b>	<b>0.7</b>

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 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
Hilton Head Island-Bluffton, SC MSA	358	115,350	100.0	16,921	0.0	0.0	0.0	16.9	23.2	10.3	51.4	61.2	57.5	31.6	15.6	32.2	0.0	0.0	0.0
<b>Total</b>	<b>358</b>	<b>115,350</b>	<b>100.0</b>	<b>16,921</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16.9</b>	<b>23.2</b>	<b>10.3</b>	<b>51.4</b>	<b>61.2</b>	<b>57.5</b>	<b>31.6</b>	<b>15.6</b>	<b>32.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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
Hilton Head Island-Bluffton, SC MSA	64	23,331	100.0	9,486	1.2	0.0	0.9	13.6	10.9	9.9	51.1	68.8	50.0	34.1	20.3	39.2	0.0	0.0	0.0
<b>Total</b>	<b>64</b>	<b>23,331</b>	<b>100.0</b>	<b>9,486</b>	<b>1.2</b>	<b>0.0</b>	<b>0.9</b>	<b>13.6</b>	<b>10.9</b>	<b>9.9</b>	<b>51.1</b>	<b>68.8</b>	<b>50.0</b>	<b>34.1</b>	<b>20.3</b>	<b>39.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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%



<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2020-21</b>	
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Florida Non-MSA	788	140,791	31.8	5,581	23.1	1.4	2.8	16.8	17.8	13.0	19.1	23.2	23.5	41.0	53.4	42.7	0.0	4.2	18.0	
Gainesville, FL MSA	134	33,315	5.4	10,855	23.4	2.2	4.1	15.4	14.2	13.1	18.2	27.6	20.0	43.0	49.3	47.5	0.0	6.7	15.3	
Jacksonville, FL MSA	721	187,551	29.1	8,625	20.4	3.7	3.0	20.3	15.0	12.5	19.5	24.1	20.9	39.8	52.7	42.7	0.0	4.4	21.0	
Ocala, FL MSA	628	124,541	25.4	21,434	19.3	1.3	3.8	19.5	11.8	14.8	21.6	25.5	21.6	39.7	56.4	39.1	0.0	5.1	20.8	
Panama City, FL MSA	206	50,719	8.3	12,927	21.1	4.9	3.3	17.7	15.5	11.2	19.9	26.7	17.4	41.3	48.5	44.3	0.0	4.4	23.8	
<b>Total</b>	<b>2,477</b>	<b>536,916</b>	<b>100.0</b>	<b>59,422</b>	<b>21.3</b>	<b>2.4</b>	<b>3.5</b>	<b>17.9</b>	<b>15.1</b>	<b>13.2</b>	<b>19.9</b>	<b>24.6</b>	<b>20.4</b>	<b>40.9</b>	<b>53.3</b>	<b>42.6</b>	<b>0.0</b>	<b>4.6</b>	<b>20.2</b>	

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**

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
Florida Non-MSA	217	40,334	34.5	4,427	19.5	6.9	3.9	19.5	20.7	16.3	20.9	29.0	23.3	40.2	39.2	42.9	0.0	4.1	13.6
Gainesville, FL MSA	20	6,760	3.2	7,388	18.6	5.0	4.9	16.5	10.0	16.1	18.9	30.0	20.6	46.0	40.0	41.4	0.0	15.0	16.9
Jacksonville, FL MSA	120	40,772	19.1	5,712	18.0	2.5	3.9	16.4	19.2	13.9	22.2	26.7	24.5	43.4	47.5	41.5	0.0	4.2	16.2
Ocala, FL MSA	239	56,116	38.0	16,685	18.0	1.3	5.2	19.8	10.9	16.7	22.1	25.9	23.5	40.2	59.4	37.4	0.0	2.5	17.1
Panama City, FL MSA	33	9,369	5.2	9,065	18.3	6.1	4.5	19.3	21.2	12.7	21.9	15.2	19.6	40.5	57.6	45.5	0.0	0.0	17.6
<b>Total</b>	<b>629</b>	<b>153,352</b>	<b>100.0</b>	<b>43,277</b>	<b>18.4</b>	<b>3.8</b>	<b>4.7</b>	<b>18.7</b>	<b>16.4</b>	<b>15.4</b>	<b>21.2</b>	<b>26.7</b>	<b>22.3</b>	<b>41.6</b>	<b>49.4</b>	<b>40.9</b>	<b>0.0</b>	<b>3.7</b>	<b>16.7</b>

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%

<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	
Hilton Head Island-Bluffton, SC MSA	358	115,350	100.0	16,921	17.7	2.2	2.6	18.2	10.3	10.4	21.2	18.4	16.9	42.9	64.0	53.6	0.0	5.0	16.6	
<b>Total</b>	<b>358</b>	<b>115,350</b>	<b>100.0</b>	<b>16,921</b>	<b>17.7</b>	<b>2.2</b>	<b>2.6</b>	<b>18.2</b>	<b>10.3</b>	<b>10.4</b>	<b>21.2</b>	<b>18.4</b>	<b>16.9</b>	<b>42.9</b>	<b>64.0</b>	<b>53.6</b>	<b>0.0</b>	<b>5.0</b>	<b>16.6</b>	

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%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2022</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	
Hilton Head Island-Bluffton, SC MSA	64	23,331	100.0	9,486	19.0	1.6	4.9	17.1	15.6	15.2	21.2	21.9	18.9	42.8	56.3	48.9	0.0	4.7	12.2	
<b>Total</b>	<b>64</b>	<b>23,331</b>	<b>100.0</b>	<b>9,486</b>	<b>19.0</b>	<b>1.6</b>	<b>4.9</b>	<b>17.1</b>	<b>15.6</b>	<b>15.2</b>	<b>21.2</b>	<b>21.9</b>	<b>18.9</b>	<b>42.8</b>	<b>56.3</b>	<b>48.9</b>	<b>0.0</b>	<b>4.7</b>	<b>12.2</b>	

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
Florida Non-MSA	1,205	84,622	54.3	4,056	0.0	0.0	0.0	6.8	9.0	7.1	80.3	80.3	81.1	12.8	10.6	11.8	0.0	0.0	0.0
Gainesville, FL MSA	78	10,085	3.5	6,639	7.1	2.6	7.7	17.4	16.7	16.0	35.3	28.2	34.8	39.1	52.6	40.8	1.1	0.0	0.7
Jacksonville FL MSA	452	38,520	20.4	2,726	0.0	0.0	0.0	19.9	21.0	21.2	65.8	65.5	64.7	14.3	13.5	14.0	0.0	0.0	0.0
Ocala, FL MSA	330	33,847	14.9	9,210	1.8	1.2	1.7	16.6	20.9	16.2	63.4	55.2	65.9	18.2	22.7	16.2	0.0	0.0	0.0
Panama City, FL MSA	153	20,546	6.9	5,980	3.2	2.0	2.6	16.8	13.7	15.6	54.0	60.1	53.5	25.9	24.2	28.4	0.0	0.0	0.0
<b>Total</b>	<b>2,218</b>	<b>187,620</b>	<b>100.0</b>	<b>28,611</b>	<b>2.9</b>	<b>0.4</b>	<b>2.9</b>	<b>15.7</b>	<b>13.8</b>	<b>15.2</b>	<b>57.5</b>	<b>70.3</b>	<b>58.1</b>	<b>23.6</b>	<b>15.4</b>	<b>23.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.2</b>

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	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Florida Non-MSA	144	14,553	49.8	0.0	0.0	17.7	18.8	67.2	68.8	14.4	11.1	0.6	1.4	
Gainesville, FL MSA	7	3,391	2.4	4.5	0.0	18.1	14.3	29.8	0.0	44.4	85.7	3.2	0.0	
Jacksonville, FL MSA	78	7,116	27.0	0.0	0.0	10.3	6.4	47.2	65.4	41.0	24.4	1.5	3.8	
Ocala, FL MSA	29	6,329	10.0	1.3	0.0	19.6	6.9	56.1	55.2	22.2	37.9	0.8	0.0	
Panama City, FL MSA	31	2,714	10.7	2.1	9.7	20.2	3.2	50.8	45.2	26.9	41.9	0.0	0.0	
<b>Total</b>	<b>289</b>	<b>34,103</b>	<b>100.0</b>	<b>1.9</b>	<b>1.0</b>	<b>18.2</b>	<b>12.5</b>	<b>49.7</b>	<b>62.3</b>	<b>29.0</b>	<b>22.5</b>	<b>1.2</b>	<b>1.7</b>	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.  
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>2020-21</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	
Hilton Head Island-Bluffton, SC MSA	186	17,800	100.0	6,193	0.0	0.0	0.0	16.1	25.8	14.9	54.3	68.3	53.3	29.6	5.9	31.8	0.0	0.0	0.0	
<b>Total</b>	<b>186</b>	<b>17,800</b>	<b>100.0</b>	<b>6,193</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16.1</b>	<b>25.8</b>	<b>14.9</b>	<b>54.3</b>	<b>68.3</b>	<b>53.3</b>	<b>29.6</b>	<b>5.9</b>	<b>31.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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%

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>														<b>2022</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	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Hilton Head Island-Bluffton, SC MSA	49	10,330	100.0	3.0	0.0	10.6	30.6	48.4	57.1	37.9	12.2	0.1	0.0		
<b>Total</b>	<b>49</b>	<b>10,330</b>	<b>100.0</b>	<b>3.0</b>	<b>0.0</b>	<b>10.6</b>	<b>30.6</b>	<b>48.4</b>	<b>57.1</b>	<b>37.9</b>	<b>12.2</b>	<b>0.1</b>	<b>0.0</b>		

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.  
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>2020-21</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	
Florida Non-MSA	1,205	84,622	54.3	4,056	89.8	68.1	46.4	2.2	27.8	7.9	4.1	
Gainesville, FL MSA	78	10,085	3.5	6,639	90.4	62.8	43.9	2.5	35.9	7.1	1.3	
Jacksonville, FL MSA	452	38,520	20.4	2,726	92.7	61.3	46.4	1.5	32.7	5.8	6.0	
Ocala, FL MSA	330	33,847	14.9	9,210	92.6	56.1	46.9	2.1	41.2	5.3	2.7	
Panama City, FL MSA	153	20,546	6.9	5,980	91.5	51.0	40.8	2.1	46.4	6.4	2.6	
<b>Total</b>	<b>2,218</b>	<b>187,620</b>	<b>100.0</b>	<b>28,611</b>	<b>91.5</b>	<b>63.6</b>	<b>44.8</b>	<b>2.2</b>	<b>32.4</b>	<b>6.4</b>	<b>4.1</b>	

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%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2022</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	
Florida Non-MSA	144	14,553	49.8	--	91.0	59.7	--	1.9	31.3	7.1	9.0	
Gainesville, FL MSA	7	3,391	2.4	--	91.3	71.4	--	2.1	28.6	6.6	0.0	
Jacksonville, FL MSA	78	7,116	27.0	--	93.4	65.4	--	1.3	25.6	5.3	9.0	
Ocala, FL MSA	29	6,329	10.0	--	93.5	58.6	--	1.8	41.4	4.8	0.0	
Panama City, FL MSA	31	2,714	10.7	--	92.6	58.1	--	1.7	35.5	5.7	6.5	
<b>Total</b>	<b>289</b>	<b>34,103</b>	<b>100.0</b>	<b>--</b>	<b>92.4</b>	<b>61.2</b>	<b>--</b>	<b>1.8</b>	<b>31.1</b>	<b>5.8</b>	<b>7.6</b>	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank 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 - 2021	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Hilton Head Island-Bluffton, SC MSA	105	10,656	100.0	5,448	87.3	67.6	41.3	4.3	28.6	8.4	3.8	
<b>Total</b>	<b>105</b>	<b>10,656</b>	<b>100.0</b>	<b>5,448</b>	<b>87.3</b>	<b>67.6</b>	<b>41.3</b>	<b>4.3</b>	<b>28.6</b>	<b>8.4</b>	<b>3.8</b>	
<i>Source: 2020 D&amp;B Data; 01/01/2020 - 12/31/2020 Bank Data; 2020 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	
Hilton Head Island-Bluffton, SC MSA	49	10,330	100.0	--	92.8	73.5	--	2.1	22.4	5.1	4.1	
<b>Total</b>	<b>49</b>	<b>10,330</b>	<b>100.0</b>	<b>--</b>	<b>92.8</b>	<b>73.5</b>	<b>--</b>	<b>2.1</b>	<b>22.4</b>	<b>5.1</b>	<b>4.1</b>	
<i>Source: 2022 D&amp;B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.                      Due to rounding, totals may not equal 100.0%</i>												



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